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# China Report

RED FLAG

No. 7, 1 April 1983

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## CHINA REPORT

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Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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## UNITED FRONT IN THE NEW PERIOD

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 2-7

[Article by Yang Jingren [2799 7234 0088]; passages within slantlines published in boldface]

[Text] Since the founding of the state, our party has scored great achievements in its united front work, which has played an important role in completing socialist transformation and conducting socialist construction, in strengthening the people's democratic dictatorship, in the struggles to safeguard the security of the motherland, to strive for the return of Taiwan to the motherland and to realize China's reunification, and in uniting the broad masses of intellectuals, the people of all nationalities, the democratic parties and nonparty democrats as well as patriotic personages from various circles.

However, after the second half of 1957, "leftist" mistakes were committed by our party in the guiding policy of the united front work. These mistakes were first committed during the antirightist struggle when the scope of the struggle was seriously expanded, resulting in the hurting of a large number of nonparty comrades and friends. Then during the period from the winter of 1962 to 1964, an erroneous political struggle was carried out within the United Front Work Department of the CPC Central Committee, in which the party's correct policies on united front, nationalities and religion were criticized as "revisionist" and "capitulationist" policies. Thus, things were turned upside down and the people's thinking was confused. What is more, during the "Great Cultural Revolution," the Lin Biao and Jiang Qing counterrevolutionary cliques made use of our party's "leftist" mistakes and developed them to the extreme. They did their utmost to sabotage the united front work and persecuted a large number of nonparty friends and united front work cadres.

The 3d Plenary Session of the 11th CPC Central Committee was a significant and great turning point in our party's history since the founding of the state. In united front work, the CPC Central Committee also resolutely set to right things which had been thrown into disorder and made a series of important policy decisions, including removing the labels of "capitulationism" and "revisionism" put on the United Front Work Department. Since then, the party's work in this field has been gradually restored and developed,

and a dynamic situation has emerged. As on all other fronts, a great historical change has been achieved in united front work through the common efforts of the whole party and nonparty comrades in the past few years.

First, in the guiding ideology, the CPC Central Committee has clearly pointed out that in the new historical period, since the capitalist class no longer exists as a class, the united front in our country has been changed from the original alliance which includes national bourgeoisie to a broad patriotic united front consisting of all socialist laborers and patriots who support socialism and the reunification of the motherland, including our compatriots in Taiwan, Hong Kong and Macao and Chinese nationals residing abroad. The fundamental task for this patriotic united front is to unite with all the forces that can be united and bring every positive factor into play on the basis of the inseparable unity of the workers, peasants and intellectuals so as to carry out a common struggle in building our country into a powerful socialist country with a high degree of civilization and democracy, in striving for the return of Taiwan to the motherland and in developing the international struggle against hegemonism. The united front in the new historical period is still an important magic weapon of our party. We must continue to use and improve this weapon. In the future, this front will continue to have great vitality for a long period to come. So long as classes and the Communist Party still exist, it is necessary to strengthen the united front and the cooperation between the party and nonparty personages. This is a basic idea and policy of the CPC Central Committee on united front work in the new period.

Second, in practical work, great efforts have been made to carry out various policies on united front work. A large number of frameups, false charges and wrong sentences have been reexamined and redressed. Those who were wrongly labeled as rightists have been rehabilitated and appropriate arrangements have been made in their life and work. Various policies toward former industrialists and businessmen have been carried out in an all-round way, including returning their deposits which had been confiscated, repaying their wages which had been deducted and giving back the fixed interests which had not been withdrawn. Those who are experienced in enterprise management have been rationally used. Small retailers and handcraftsmen have been differentiated from the original industrialists and businessmen. Most of the original KMT personnel who revolted and crossed over and who were wrongly dealt with or sentenced have been rehabilitated, and arrangements have been made for them, and the problems of the rest of them are being solved. Progress has been achieved in implementing the policy toward intellectuals. A large number of intellectuals who have both ability and political integrity have been promoted to the leading bodies at various levels throughout the country. At present, effective measures are being adopted to help the intellectuals, especially the middle-aged intellectuals, solve step by step the difficulties in their life and work. A number of nonparty personages have been elected as people's delegates and CPPCC members at various levels and selected for leading posts of state organs. A large number of nonparty experts and scholars who have real ability and learning and people who are good at management have been promoted to leading posts at various levels in the cultural and educational units, the

scientific research institutes, enterprises and institutional units. In order to suit the needs of the new period, the work of the CPPCC, the democratic parties and the Association of Industry and Commerce has also been greatly developed. For example, these parties and organizations have carried out various kinds of investigations on special subjects, made suggestions on implementing policies, promoting what is beneficial and abolishing what is harmful, offered all kinds of economic consultative services, helped to make arrangement for youths waiting for jobs, run spare-time educational classes and invited people to give lectures and so forth. In this way, they have blazed a new trail to serve the construction of the four modernizations. Efforts have been made to firmly grasp the implementation of the policies toward relatives of the people who have gone to Taiwan and Taiwan compatriots. The patriots who came from Taiwan to settle down on the mainland have had appropriate arrangements made in their work and in their political and daily life. The people of all circles as well as the patriots among our compatriots in Taiwan, Hong Kong and Macao and Chinese nationals residing abroad have been actively giving play to their role in striving for the reunification of the motherland.

### I. The Development of Marxist-Leninist Theories on United Front

The united front question is an important question of Marxist theory of scientific socialism.

1. In chapter four of the "Manifesto of the Communist Party," Marx and Engels mentioned the united front question. The "Manifesto" said: "The communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent and take care of the future of that movement." "The communists everywhere support every revolutionary movement against the existing social and political order of things." "They labor everywhere for the union and agreement of the democratic parties of all countries." ("Selected Works of Marx and Engels," Vol 1, pp 284, 285) In the 1883 preface to the German edition of the "Manifesto of the Communist Party," Engels briefly expounded the basic ideas of the "Manifesto." He said that class struggle had reached a stage where "the exploited and oppressed class (the proletariat) can no longer emancipate itself from the class which exploits and oppresses it (the bourgeoisie), without at the same time forever freeing the whole of society from exploitation, oppression and class struggles." (ibid., p 232) In 1950, when Comrade Mao Zedong met with the comrades attending the first national conference on united front work, he said that what Engels meant here was that the proletariat must not only emancipate itself but also must emancipate all mankind. Only by emancipating all mankind can the proletariat achieve its own final emancipation. This is a fundamental theoretical basis for the united front.

2. Lenin developed Marx' and Engels' ideas on the united front. In his "'Left-Wing' Communism, an Infantile Disorder," Lenin described the history of the united front work of the Bolsheviks and wrote the following well-known dictum: "The more powerful enemy can be vanquished only by exerting the utmost effort, and /without fail,/ most thoroughly, carefully,

attentively and skillfully using every, even the smallest, 'rift' among the enemies, every antagonism of interest among the bourgeoisie of the various countries and among the various groups or types of bourgeoisie within the various countries, and also by taking advantage of every, even the smallest opportunity of gaining a mass ally, even though this ally be temporary, vacillating, unstable, unreliable and conditional. Those who fail to understand this, fail to understand even a particle of Marxism, or of scientific, modern socialism /in general/. Those who have not proved by /deeds/ over a fairly considerable period of time, and in fairly varied political situations, their ability to apply this truth in practice have not yet learned to assist the revolutionary class in its struggle to emancipate all toiling humanity from the exploiters. And this applies equally to the period /before/ and /after/ the proletariat has conquered political power." ("Selected Works of Lenin," Vol 4, pp 225-226) This truth of Lenin shows that the united front question occupies an important position in Marxism-Leninism, especially in scientific socialism.

The Marxist-Leninist classics did not only point out the necessity of gaining a mass ally for the proletarian political party but also pointed out that there is also the problem of the united front within the working class. For example, the "Manifesto of the Communist Party" also mentioned the "relations of the communists to the existing working-class parties," such as the Chartists in England and the Agrarian Reformers in America. ("Selected Works of Marx and Engels," Vol 1, p 284). In 1920, Lenin pointed out in his "'Left-Wing' Communism, an Infantile Disorder": "Capitalism would not be capitalism if the 'pure' proletariat were not surrounded by a large number of exceedingly motley types intermediate between the proletarian and the semiproletarian (who earns his livelihood in part by the sale of his labor power), between the semiproletarian and the small peasant (and petty artisan, handicraft worker and small master in general), between the small peasant and the middle peasant, and so on, and if the proletariat itself were not divided into more developed and less developed strata, if it were not divided according to territorial origin, trade, sometimes according to religion, and so on. And from all this follows the necessity, the absolute necessity, for the vanguard of the proletariat, for its class-conscious section, for the Communist Party, to resort to maneuvers, arrangements and compromises with the various groups of proletarians, with the various parties of the workers and small masters." ("Selected Works of Lenin," Vol 4, p 229) That is to say, there must also be a united front within the proletariat. In 1922, in his article entitled "We Have Paid Too Much," Lenin more clearly affirmed that it was necessary to develop the united front among the workers. He said: "The representatives of the Second and Two-and-a-Half Internationals need a united front.... They hope to utilize united front tactics for the purpose of convincing the workers that reformist tactics are correct and that revolutionary tactics are wrong. We need a united front because we hope to convince the workers of the opposite.... We adopted united front tactics in order to help these masses to fight capitalism, to help them understand the 'cunning mechanism' of the two fronts in international economics and in international politics; and we shall pursue these tactics to the end." ("Collected Works of Lenin," Vol 33, pp 296-297) In 1935, at the Seventh Comintern Conference, Dimitrov also raised the

question of forming a working-class united front and an antifascist people's front. In order to fight against the fascists, the workers' united front included the workers in various political parties and unorganized workers, even included the workers who were temporarily won over by the fascists.

3. In China, owing to our specific social and historical conditions, the united front has been fully and steadily developed, from the period of the new democratic revolution to the period of socialist revolution and construction. During the first and second revolutionary civil war periods, our party already scored abundant experiences in this respect--both correct and successful experiences and lessons of the mistakes of right capitulationism and "leftist" adventurism. The CPC Central Committee headed by Comrade Mao Zedong summed up these experiences and put forward an independent united front policy for our party. At the Wayaobao conference held in December 1935, the CPC Central Committee decided to adopt a policy of forming the broadest anti-Japanese national united front. In his report delivered at the conference, Comrade Mao Zedong said: "In order to attack the counterrevolutionary forces, the revolutionary forces must organize millions upon millions of the masses today and move a mighty revolutionary army into action. Therefore, united front tactics are the only Marxist-Leninist tactics." ("Selected Works of Mao Zedong," Vol 1, p 141) In 1939, Comrade Mao Zedong pointed out in the "Chinese Revolution and the CPC": "The Chinese proletariat should understand that although it is the class with the highest political consciousness and sense of organization, it cannot win victory by its own strength alone. In order to win, it must unite, according to varying circumstances, with all classes and strata that can take part in the revolution, and must organize a revolutionary united front." (ibid., Vol 2, p 608) When he summed up the chief experiences of the Chinese revolution in "Introducing the Communist," he said: "The united front, armed struggle and party building are the CPC's three 'magic weapons,' its three principal magic weapons for defeating the enemy in the Chinese revolution." "Having a correct grasp of these three questions and their interrelations is tantamount to giving correct leadership to the whole Chinese revolution." (ibid., p 569) In his other works, Comrade Mao Zedong also gave expositions on the principle of "unity and struggle" of the united front, and opposed both the right and "leftist" deviations. Under the guidance of Mao Zedong Thought, our party actively carried out the work of organizing the united front during the periods of the war of resistance against Japan and the war of liberation to support the revolutionary armed struggles. It played an extremely important role in achieving victory for China's revolution. Since the victory of the new democratic revolution, especially since 1953, our party has continued to apply this magic weapon in the socialist revolution and socialist construction. It has carried out socialist transformation of the capitalist industry and commerce step by step and through peaceful means, such as national capitalism and the united front. It has thus realized the policy of peaceful redemption toward the bourgeoisie, which was assumed by Marx and Lenin, and further developed and enriched the theory and practice of the united front under the new conditions.

## II. The General Task in the New Period and the Targets and Nature of the United Front

The general task of the CPC in the new historical period is to unite the people of all nationalities in working hard and self-reliantly to achieve, step by step, the modernization of our industry, agriculture, national defense and science and technology and to make China a culturally advanced and highly democratic socialist country. The strategic objective of our economic construction is to quadruple the gross annual value of industrial and agricultural production by the end of this century. In the 1980's, we must greatly push forward our socialist modernization drive, strive to reunify the motherland, including the return of Taiwan to the motherland, and oppose hegemonism and safeguard world peace. We must continue to use the weapon of the united front to organize millions upon millions of the masses, to unite with all the forces that can be united and to bring all positive factors into play. We must also try every possible means to turn the negative factors into positive factors so as to fight for the realization of the general task for the new historical period and the three great tasks for the 1980's. The position and role of the united front have become more important, and its scope has been expanded rather than reduced. There are more, rather than fewer, targets of the united front, too.

With regard to the targets of the united front, they include the following 10 kinds of people, according to Comrade Hu Yaobang: 1) the democratic parties; 2) nonparty democrats; 3) nonparty intellectual cadres; 4) original KMT military and political personnel who revolted and crossed over; 5) former industrialists and businessmen; 6) upper circles of national minority personages; 7) patriotic leaders in the religious circles; 8) family members and relatives of the people who have gone to Taiwan; 9) the compatriots in Hong Kong, Macao and Taiwan; and 10) returned Overseas Chinese and Chinese nationals residing abroad. They also include individual industrialists and businessmen. Generally speaking, these targets of united front are better educated and have a broader social contact and a strong desire to serve the country. To a certain extent, they form a warehouse of intelligence and have an important bearing on the construction of the four modernizations. Many of them also constitute an important force in realizing the great aim of reunifying the motherland.

We now have two united fronts. One is the international antihegemonist united front and the other is the internal patriotic united front. The two fronts have always supported and promoted each other. In the future, the patriotic united front has more work to do in supporting the international antihegemonist struggles and safeguarding world peace.

At present, some comrades have set the objects of reliance against the targets of the united front. They hold that the latter are the targets of remolding and winning over. Since the intellectuals are a part of the working class and force to depend on in the socialist cause, they cannot be targets of the united front at the same time, for the united front cannot be formed by a part of the working class with another part of this class. Thus, not only are the nonparty intellectual cadres excluded from the united

front but so also are the democratic parties, the former industrialists and businessmen and other targets of united front, because most members of the democratic parties are intellectuals, the former industrialists and businessmen have become socialist workers and many of them have joined the trade unions, and most of the other targets of the united front have laboring origins or have already become socialist workers and patriots who support socialism. According to the one-sided views of these comrades, all these people cannot be regarded as targets of the united front, and there are only very few targets of the united front. Then how can we develop and strengthen united front work as required by the party's 12th National Congress?

We must recognize that in the new historical period, along with the changes in the domestic class situation (except for Hong Kong, Macao and Taiwan), great changes have also taken place in the class structure and interrelations in the united front. The bourgeoisie no longer exists as a class and most of the targets of the united front have become socialist workers. The relations between them are relations between socialist workers in the united front. If we fail to see these great changes, we will not be able to understand the fact that many people are both objects of reliance and targets of the united front at the same time. The practice of China's united front work in the new historical period fully proves the correctness of the Marxist-Leninist thesis on the united front within the working class. Just as Comrade Deng Xiaoping clearly pointed out at the national united front work conference in 1979: "There is also a united front among the socialist workers." When we say that the nonparty intellectuals and cadres are targets of the united front, we do not at all mean that they are not a part of the working class and forces to rely on in the socialist cause, or that they are regarded as bourgeois intellectuals. Intellectuals are mental laborers. Although they belong to the working class, they have their specific characteristics. In our policies and work, it is necessary to adopt a correct attitude toward these characteristics. At present, it is especially necessary to overcome the "leftist" ideas in this respect and to conscientiously implement the party's policies toward intellectuals. Among the intellectuals, there are also differences between party members and non-party intellectuals. Thus, between the party members and the nonparty intellectual cadres, there is also a relationship of the united front of the party and nonparty alliance. Our purpose in carrying out united front work among the nonparty intellectual cadres is none other than giving fuller play to the important role of the intellectuals in the construction of socialist modernizations.

It is also necessary to give an answer to the following question: Since a political party is the representative of a certain class, what classes do the democratic parties represent and what is the nature of the democratic parties after the exploiting classes are eliminated in our country?

Most of China's democratic parties were founded during the war of resistance against Japan and the struggles against the KMT reactionaries, under the influence of the CPC's united front policy. Their social basis chiefly comprised the national bourgeoisie, the petty bourgeoisie in the cities and

their intellectuals. Some revolutionary intellectuals and CPC members also joined the democratic parties. During the democratic revolutionary period, their political programs bore the nature of new democratism (although some rightwingers advocated the middle-of-the-road line, this line did not play a leading role). In action, they basically cooperated with the Communist Party. Therefore, the democratic parties have never been pure bourgeois political parties, but have possessed the nature of the united front and class alliance.

Since liberation, the democratic parties have placed themselves under the leadership of the CPC and have taken part in various undertakings and engaged in the work of the governments at various levels. They have taken the common program and the constitution as their own political program without making independent programs for themselves. The relations between the CPC and the democratic parties are cooperative relations between various friendly parties with the CPC as the core of leadership, rather than relations between a party in power and opposition parties. On the other hand, constant changes have also taken place and progress has been made in the social basis of the democratic parties. At present, the democratic parties have basically become the alliances of groups of socialist workers and patriots in favor of socialism whom they contact and represent.

What is the nature of the united front in the new historical period, which it is called the patriotic united front?

In order to determine the nature of the united front, it is first necessary to know what its strategic objective, fundamental task and political basis are. The fundamental objective, or the fundamental task of the united front in the new period is to build China into a modern socialist country with a high degree of civilization and democracy. Its political basis is the four cardinal principles. Of course, this shows that it is of a socialist nature. Second, it is necessary to judge it by its composition. The united front is mainly composed of socialist workers and patriots in favor of socialism. In other words, the united front is based on supporting socialism. But why is it called the patriotic united front? It is thus called for the sake of strengthening unity. When we hold high the banner of patriotism, more and more people can be won over and united, including those who are in favor of the reunification of the motherland but are not in favor of the socialist system. This is conducive to the reunification of the motherland, to the construction of socialist modernization and to the development of the international antihegemonist united front.

### III. Correctly Understand and Deal With the Principle of Unity and Struggle in the United Front

Does the principle of unity and struggle in the united front contradict the policy of "long-term coexistence and mutual supervision" and "treating each other with all sincerity and sharing weal and woe"?

We must realize that since a fundamental change has taken place in the class situation in our country, there are no conflicts of fundamental interests

among the workers, peasants, intellectuals and other patriots in favor of socialism. The policy of "long-term coexistence and mutual supervision" and "treating each other with all sincerity and sharing weal and woe" was put forward in view of this fact. Most contradictions in the united front do not have the nature of class struggle. They must be solved in a correct way other than class struggle. They involve a wide range of problems in the political and ideological fields as well as in the economic and other fields. Political and ideological problems must be solved through positive education, through combining study with practice, through criticism and self-criticism and through presenting the facts and reasoning things out. In short, they must be solved through painstaking political and ideological work. At the same time, we must attentively listen to the criticisms and opinions of nonparty personages so as to counteract our own weaknesses and correct the shortcomings and mistakes in our work. This is the way the principle of unity and struggle should be used under the new historical conditions. In different historical periods, the unity and struggle have different targets, nature and content. It is entirely wrong to regard struggle as a life-and-death struggle, a complete negation of things or a rude and oversimplified criticism and denunciation whenever it is mentioned. We suffered great losses in the past due to this "leftist" mistake and must conscientiously sum up our lessons.

However, it is also necessary to note the phenomena and reflection of class struggle which exist within certain limits in the united front. Although exploiting classes have been eliminated on the mainland of our country and class struggle no longer constitutes the principal contradiction in our society, the poisonous influence of the exploiting system and exploiting classes cannot be completely eliminated in a short period of time. The great cause of the reunification of the motherland has not yet been realized. Besides this, we find ourselves in very complicated international surroundings and we are carrying out the policy of opening to the outside world and enlivening the domestic economy. Under such circumstances, we are faced with the corrosive influence and infiltration of capitalism in our economic and cultural contacts with international capital. We are also faced with a complicated struggle on the question of Taiwan's return to the motherland. China is comparatively backward in economy and culture, and the new socialist system is still imperfect. Thus, we cannot completely prevent the occurrence of such phenomena as the degeneration of some members of the society and some party members. We still cannot stop the emergence of a small number of exploiters and hostile elements. We must keep a clear head toward all this.

In short, we must adhere to the principle of unity and struggle in the united front in the new historical period. We must pay attention to not overlooking another erroneous trend while correcting a first erroneous trend. At present, priority should be given to preventing and overcoming the "leftist" error.

#### IV. Strive To Bring About an All-Round New Situation in United Front Work

In the coming period, our task is to strive to bring about an all-round new situation in united front work in accordance with the spirit of the 12th CPC National Congress and in light of the realities in the united front.

At present, some comrades still fail to see the importance of united front work. If this problem of recognition is not solved beforehand, it will be very difficult to bring about an all-round new situation in united front work. For this reason, the first thing we have to do is to continue publicizing and educating people on the theories and policies on the united front while studying the documents of the 12th CPC National Congress so that the broad masses of cadres can understand the great significance of strengthening the patriotic united front and the relevant policies and principles.

The implementation of relevant policies is an important matter which concerns whether we keep political unanimity with the CPC Central Committee, whether we can fulfill the tasks of bringing order out of chaos in our practical work, and whether we can further develop the situation of stability and unity and arouse the enthusiasm of various fields to serve the construction of the four modernizations and the reunification of the motherland. Since the 3d Plenary Session of the 11th CPC Central Committee, a lot of work has been done and great achievements have been scored by our party in implementing policies. But there are still many problems. We must make a systematic examination and firmly grasp the solution of these problems.

There are many concrete jobs to do in united front work, such as recommending and selecting talented people, adopting a correct attitude toward intellectuals and conscientiously implementing the party's policies toward them, and jobs concerning nationalities, democratic parties and religious circles and the unity with our compatriots in Taiwan, Hong Kong and Macao as well as Chinese nationals residing abroad. We must, in light of the new situation and new demands of the new period, and proceeding from the overall situation of our country, take them as political tasks, make an overall arrangement and conscientiously implement the policies.

The united front work is the work of the whole party and a common cause of the nonparty comrades and friends. It is necessary to rely on the leadership of the CPC Central Committee, rely on the leadership of the CPC committees at all levels and the support of the broad masses of cadres and people, and rely on the close cooperation of the democratic parties and nonparty personages. We must work hard together so that the united front can play a more important role in the construction of socialist modernization in our great motherland.

## MARX, AND INVESTIGATION AND STUDY

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 8-13

[Article by Ma Zhongyang [7456 0112 2254] and Lin Zhaomu [2651 0340 2606];  
passages within slantlines published in boldface]

[Text] In the history of mankind, no one in the world except Marx with his scientific theory has ever produced such a tremendous and profound impact on the transformation of human society and mankind itself. Marxism has never declined and has always maintained its youth, because it is science and is objective truth based on practice and formed after systematic and penetrating investigations and studies. Comrade Mao Zedong said: "Only by dedicating their lives to lots of investigation and research work did Marx and Engels accomplish scientific communism." ("Collected Works on Mao Zedong's Rural Surveys," p 21) In studying the Marxist doctrine, we must not only study Marx' works and fundamental theory, but also understand how these works and theory were formed. We must carry on and develop Marx' scientific heritage of investigation and study, so that we can more effectively make systematic investigations and studies on the actual problems facing our socialist modernization efforts today.

### I

Engels said: "Even the development of the materialist viewpoint on a single case in history is also a scientific task that calls for many years of sober research, because it is quite obvious that talking nonsense here helps nothing. Only by relying on a large host of historical data that has been examined critically and fully grasped can we be equal to such a task." ("Collected Works of Marx and Engels," Vol 13, p 527, herein called "Collected Works") Marx did not just develop the materialist viewpoint on this or that historical case, or on this or that real-life problem. Instead, he applied materialism and dialectics to the study of the whole of social life and the whole of social history, thus realizing a great reform in the social science of philosophy. This was accomplished only after he spent his whole life and went through every hardship investigating and studying reams of complicated data of a historical and realistic nature.

Marx attached great importance to the investigation and study of various actual conditions in the practice of the workers' movement. After he

arrived in Paris in 1843, he established direct contacts with the French workers' organization and German exiles and constantly participated in workers' rallies and discussions. In 1846, Marx and Engels jointly established the Brussels Communist News Committee, and, through its activities, kept abreast of the conditions of the workers' movements in various European countries (Germany, Belgium, France and Britain). Later, they again led communist allies to directly participate in the 1848-1849 mass revolutionary struggles in France and Germany. From his exile in London in August 1849 to his death, Marx was all the time in correspondence with the activists in the workers' movements in various countries. In Marx' reading room were often gathered the representative figures of these workers' movements. From 1864 to the 1870's, when Marx led the International Working Men's Association (the First International), he was especially active in revolutionary practice. The leaders of the workers' movements in various countries turned to Marx for advice. Through them, Marx also kept abreast of the conditions in various countries. Marx' well-known works such as "Class Struggle in France," "Louis Bonaparte's Brumaire 18," and "Civil War in France," which separately summed up the theoretical, historical experiences of the 1848 French Revolution and the 1871 Paris Commune Revolution, were based on personal experiences and firsthand data obtained through various channels. Marx paid great attention to investigating and studying the experiences of workers' movements in various countries, the degree of their development and the erroneous trends that appeared in their different stages. He also attached great importance to the labor conditions, living conditions and ideological state of the working classes of various countries. He said: "A person who knows little about existing social conditions would know still less about the movement seeking to overthrow this society and the manifestation of this revolutionary movement in literature." ("Collected Works," Vol 27, p 487) Because no government of France dared to seriously investigate the conditions of the French working class, Marx, in April 1880, drafted the "Table on the Survey of Workers" for the French magazine SOCIALIST COMMENTS. It listed about 100 problems, each one very common and concrete. In combination, they presented a very detailed picture. After the publication of "Table on the Survey of Workers" in the magazine, large quantities of relevant booklets were also distributed in France. This meant adopting the way of investigation by communication in written form to find out the conditions of workers.

In studying problems, Marx always wanted to locate all the reference books on the subjects under study and grasp the data already collected by predecessors and contemporaries and the results achieved. Marx paid particular attention to the following kinds of books: 1) Work containing rich, practical data. For example, in 1869, Marx received from a Russian friend a copy of the work by Flerovsky, "Conditions of the Russian Working Class." The author had spent 15 years traveling and surveying various areas. In order to read this work, Marx (then 52) began, in the winter of 1869, to learn Russian by himself. After a few months, he said: "I feel very happy that I can now read it quite quickly by consulting the dictionary." 2) Works on various subjects, which were of scientific significance or which offered new views. For example, after the publication of Morgan's

"Ancient Society" in 1877, Marx quickly discovered its important scientific value. Though often ill at that time, he seriously pored over it and prepared detailed excerpts therefrom. 3) Work reflecting the history of development of thinking or theory about certain problems. Almost all the large number of books on political economy in the British Museum were scanned by Marx. Many quotations in "Das Kapital" tell what people at what time, or what books for the first time, put forth certain views. Just from the works quoted and criticized in Marx' "Das Kapital" and "Theory on Surplus Value," we can see that he had scanned and studied lots of books and data, covered a broad scope and put in tremendous efforts. 4) Works on the histories of various countries and their peoples. In studying history, Marx chiefly wanted to get at the historical roots of various existing incidents and phenomena. In solving any problem of social science, the most important thing is not to forget its fundamental links with history. In observing every problem, we must find out how certain relevant phenomena arose and developed in history and how things are at present. This is an important Marxist way of making investigations and studies. For example, after the outbreak of the Bonaparte Coup on 2 December 1851, Marx immediately wrote the outstanding work, "Louis Bonaparte's Brumaire 18" from December the same year to March the following year. Marx was able to form an outstanding view on an incident immediately after it happened, because he had a profound understanding of France's past history. Moreover, he had studied all details of the then history of France and collected data for reference.

Some people may also ask: Can book reading also be considered investigation and study? Of course, not all book reading is investigation and study. But Marx read in order to critically inherit the results of predecessors' research and to collect data to clarify problems in real life, and he did so in a scientific manner. This represented an important aspect of the study and investigation effort. Just as Lenin said, all that had been created by mankind had been examined by Marx with a critical attitude. All that had been brought into being by human thinking had been restudied, criticized and reviewed in the workers' movement. This process was also one of investigating and studying historical and contemporary data.

In investigating and studying major problems, Marx generally went through a long period of hard work collecting and accumulating data and doing systematic research. At that time, many newspapers and magazines in Britain, France, the United States and other countries had provided rich data on the development of industry and world trade and on developments and changes in science and technology and production processes. Combining scientific research work with the writing of comments for newspapers and magazines, Marx kept a close watch on various events in the economic and political life of Britain and other major capitalist countries. He worked on collecting information almost from week to week and from month to month, thus acquiring large amounts of factual data. He corresponded with Engels in Manchester every week and exchanged data, information and viewpoints with him. From Marx' letters to Engels, we can see his spirit of industriousness in collecting and collating practical data. On the collection of data about the economic crisis, he said: My workload was very heavy. Most of

the time I kept working until 4 a.m. I equipped myself with three big notebooks--on Britain, Germany and France. As to the United States, all data was available from the FORUM. That data could be taken care of later. In addition, I hoped that the GUARDIAN could be sent to me /every day./ Taking care of a 1-week or 5- or 6-day backlog of newspapers often cost double the usual effort. Mistakes were also likely. ("Collected Works," Vol 29, p 226) He also said: "With my notes, I have drawn on various sources to collect all the statistical data available." ("Collected Works," Vol 28, p 621)

Marx also constantly turned to those familiar with concrete conditions for advice and tried to digest relevant practical knowledge. As Engels had spent a long time working with a Manchester enterprise, Marx often asked him about actual conditions in industrial and commercial fields. For example, in a letter, he said to Engels: "Practice transcends all theory. Therefore, please tell me /completely and accurately/ the way you people trade with bankers, and so forth (citing examples)." Marx also devoted efforts to studying the history of development of production technology and its current state. He asked in great detail about many actual conditions, such as the different working hours for factory workers and their output; workers' average weekly wages; the average weekly volume of yarn spun and how much cotton yarn was required; the price of cotton yarn, and so forth.

Continuously collecting new data, paying attention to new conditions and studying new problems--this was an important feature that marked Marx' investigation and study effort. He was never satisfied with the data already acquired and the knowledge already obtained. Practice develops. Given new data, there is the need to make a new study to test previous knowledge. All his life, Marx upheld dialectics from beginning to end, not only applying it to observing and studying objective things but also applying it to the results of his own research work. This explained why he never rested satisfied, never stopped working and was full of life all the time. Take the study of the capitalist economy, for example. Marx started its study in the 1840's. At that time, he planned to write a book and finished some initial manuscripts. Later, when he arrived in London, he decided to give up and begin all over again. He had found lots of new data. Besides, the development of capitalism had reached a new stage. This called for "using the critical spirit to thoroughly study new data." After a long period of research in the 1850's and 1860's, the manuscripts for various volumes of "Das Kapital" had been completed. But from the time of the publication of the first volume in 1867, to Marx' death, the second and third volumes and those sections on the history of the theory on surplus value were not published. The main reason was that Marx assumed an extremely strict scientific attitude toward his own works. With the development of practice, he always kept doing new investigation and research work. Before obtaining satisfactory results, he was loath to publish his own works. In a letter, he said: "Given present conditions, the second volume of 'Das Kapital' could not possibly be published in Germany. I feel happy over this, because at present, certain economic phenomena have entered a new stage of development. This calls for a

restudy." ("Collected Works," Vol 34, p 424) Based on new data that kept appearing, Marx made a brand-new study of the relations of land ownership, bank credit and other problems. Reminiscing, Engels later said: "Had it not been for so much data about the United States and Russia (Russian works on statistics alone reaching more than 2 cubic meters), the second volume would have long been published. Such elaborate research work has delayed the progress of the second volume for many years. He has always been like this: Waiting until all available up-to-date data has been obtained." ("Collected Works," Vol 36, p 47)

For the sake of the scientific cause and the cause of proletarian emancipation, Marx displayed outstanding perseverance throughout his life. Undeterred by the oppression of the ruling class and poverty and disease, he kept doggedly conducting investigations and studies on existing conditions and history. Only by giving his all did he complete the dissection of the capitalist system. Marx said: "Das Kapital" was a work written after the experience of every hardship. There might have never been a work of this nature written under tougher conditions. "For its sake, I had sacrificed my health, happiness and family." ("Collected Works," Vol 31, pp 562, 543) When he was forced to lay down his pen because of serious illness, he still never stopped reading and doing research. In a letter, he said: "During my illness, I was unable to write. But I digested large hosts of 'data' on statistics and other subjects." ("Collected Works," Vol 32, p 526) Even up to the later part of his life when serious illness racked him, Marx' industrious, serious and tireless spirit did not wane in the least. He kept on collecting, reading and studying large quantities of books and data and doing a large amount of work, preparing excerpts and making comments.

Conditions in which we make investigations and studies today are much better than those for Marx in his day. Moreover, we have social strength and collective strength to fall back upon. Therefore, so long as we seriously study Marx' spirit and methods of carrying out investigations and studies and make persistent efforts, we can surely continue to deepen our understanding of objective laws governing socialist construction.

## II

In studying any problem, to draw a scientific conclusion, we must not only make investigations and collect rich, reliable data but also adopt scientific means to make a serious study of data. From Marx' study of various social and economic problems, we can see the vivid demonstration of dialectics and materialism. The following points are especially worth studying.

1. In studying a problem, only after the full exposure of the contradictions in things and after a serious assessment and digestion of adequate data collected, can we draw a scientific conclusion. Because of the great complications of the contemporary social economy and its ceaseless development, even with the help of statistics we can hardly completely grasp it in the development of things. Moreover, statistics always lag behind. Given the complicated internal relations of the economic movement, many

important factors, before their sudden exposure, mostly lie for a long period of time in a state of potential activity. Touching on the capitalist economic crisis, Marx said: "Therefore, we must pay attention to the current progress of things. Only after they are completely ripe can they be 'consumed' on the level of 'production,' or what I mean /'theory.'/" ("Collected Works," Vol 34, p 345) Here, Marx told us a very important method. In material production, it is not that any material can be made into a product. This is especially the case with the production of theory (and other abstract things). Any data that can serve as a basis for theory must be data reflecting the whole process and the total sum--not one-sided and fragmentary data. Meanwhile, data must be processed through painful efforts.

2. We must use abstraction to simplify various complicated factors in a thing and temporarily avoid relatively unimportant factors, so that we can study things in a typical and pure form. Marx said: "We can apply neither the microscope nor a chemical reagent to the analysis of an economic form. The two must be replaced by abstraction." ("Collected Works," Vol 23, p 8) In the study of natural science, we can create given conditions in a laboratory in order to study the state and changes of an object under ideal conditions. In the area of social science, we must rely on abstraction in the thought processes. This is an important method of thinking in theoretical terms. In the study of complicated social economic phenomena, we must especially use abstraction. By using abstraction, Marx put what was originally a tangled mass of data in order, finding out the main points and classifying things into different levels, thus turning it into ordered and easily understood data. For example, in exposing the capitalist relations of exploitation, Marx, using abstraction as a base, developed surplus value as a general form out of its special forms--profit, interest, rent for land, and so forth--first clarifying its origin and nature and then returning to the study of how it finds expression in various special forms. Thus, the nature of various special forms becomes manifest at one glance. We may cite another example. British classic economics disintegrated because of the failure to solve the contradiction between the law of value and the law of average profit percentage. Marx used instead, abstraction, first leaving out competition, and the imbalance between supply and demand, and other factors. Assuming the exchange of commodities according to values, he studied the role of the law of value under these conditions and how surplus value is produced. Then, step by step, he picked up again the various factors originally left out and studied the transformation of surplus value into profit and the transformation of profit into average profit. This knotty problem was thus solved. By leaving out impure factors through the method of abstraction and studying things in a typical form and then comparing ideal pure things with actual impure things, we can not only discover the relevant law but also demonstrate how the law is realized in practice. Marx said: "A scientific task exactly aims at clarifying /how/ the law of value is realized. Therefore, if we want to 'clarify' at the very outset, all phenomena that on the surface clash with the law, we must produce science /before/ science. This is exactly where Ricardo was wrong. In his discussion of value in the first chapter, Ricardo presupposed all realms to be clarified as /already known/ and in order, to prove their

identity with the law of value." ("Collected Works," Vol 32, p 541) An important feature that distinguishes the capitalist mode of production is that various phenomena clash with its nature. Such nature often appears in a distorted form after several detours. The mistake made in capitalist vulgar economics is that "they keep a firm hold on a phenomenon and take it as the final thing." Marx was good at discovering the nature of things through abstraction. Such abstraction is scientific abstraction based on practice. Its prerequisite is the possession of adequate and detailed factual data and not a matter of basing one concept upon another. Lenin said: "All scientific (correct, and serious and not absurd) abstractions reflect nature more deeply, more correctly and /more completely/." ("Collected Works of Lenin," Vol 38, p 181)

3. We must combine the two methods calling for analysis and summation. Marx' method of study calls for using abstraction to make an analysis on the basis of full possession of data. We must divide such a complicated and chaotic whole as the capitalist economic form into various parts (based on the levels of their internal links and on the order of logic in various economic areas) and analyze various parts and levels, one by one, in order to discover laws concerning various parts and various areas. Then we must sum them up and elevate them from abstraction to the concrete level again, perfectly and strictly reproducing in concepts the internal links and laws of the capitalist economy for the people. Summation does not mean mechanically adding up various parts. Instead, it means the organic unity of various parts. Given the process from analysis to summation, what is concrete at this time is no longer its original chaotic version and is instead something concrete that has been scientifically analyzed and recognized. Marx said: "What is concrete is concrete, because it is the sum of many rules and thus the unity of various characteristics. Therefore, it finds expression in thinking as a process of summation and a result, and not as a starting point, though it is the starting point of reality and thus also the starting point of direct perception through the senses and an idea." ("Collected Works," Vol 12, p 751) Of course, a small summation follows every step in analysis and every step in summation is also accompanied by a concrete analysis. Analysis and summation must depend on abstraction.

4. In using scientific means to collate statistical data, we must make not only a qualitative analysis but also a quantitative analysis of things. Marx always paid great attention to the collection, collation and analysis of statistical data. Marx often combines scientific abstraction with quantitative analysis. Many complicated things are restrained or influenced by more than two factors. Factors other than the one first left out through abstraction (assuming that these factors are in a state of invariability) are studied according to order in regard to their influence on a given thing and the degree of such influence. Thus, conditions about their order of importance and their respective roles are distinguished. This is an important way to study the laws of development of things. Marx also often used the average, or the method of averaging the concrete differences that mark similar things in various individual objects (or individual situations) to show the trends and laws of things in regard to quantitative

changes. Marx said: "In political economy, we can never at any time work out a general law just on the basis of statistical data in 1 year. It is often necessary to cite the average figures in 6 or 7 years." ("Collected Works," Vol 4, p 450) In studying the economic crisis and other problems, Marx also paid great attention to the quantitative limits giving rise to the sudden exposure of contradictions and the qualitative changes in things. There is no economic crisis in our country. But Marx' formula still provides great enlightenment for us in the study of economic problems.

### III

Marx' principles were produced on the basis of the investigation and study of various actual activities in real life and in history. In applying these principles, we must also investigate and study objective actual conditions. This is a basic Marxist demand.

In his life, Marx could not foresee how people after his death would interpret and apply his theory. But in light of the then prevailing conditions, he clearly suggested that his arguments based on given conditions should not be turned into an all-purpose key. Only by making a concrete analysis of concrete conditions and proceeding from reality can we draw a correct conclusion. In a letter to the editorial department of the magazine NOTES ON THE MOTHERLAND in 1877, Marx clearly expressed this idea. He said: Someone "insisted on turning my summation of the history of the origin of West European capitalism into complete theory of historical philosophy on the general road for development--a road that all nations must follow, no matter what their historical circumstances." "But I must ask his forgiveness. His doing so would bestow too much honor on me and, at the same time, also bring too much insult on me." ("Collected Works," Vol 19, p 130)

Marx never turned a conclusion obtained after investigations and studies into a fixed doctrine, simply imposing it on other things not yet subjected to investigation and study. In his works, we cannot find any conclusion drawn only through deduction and inference in light of laws, theory and given definitions. He always made a concrete analysis of problems with concrete historical circumstances in mind. Concerning general laws or principles applied to new circumstances and new conditions, he was especially prudent. For example, in February 1881, Marx received a letter from V. I. Zasulitch asking him to talk about the outlook for the economic development of Russian society and especially his views on the fate of the Russian rural commune. Though Marx had already done more than 10 years of research based on large hosts of data about conditions in Russia on economic development, yet in writing his reply he still did a lot of thinking and made four drafts. In the final draft Marx said: The historical analysis in "Das Kapital" on the origin of capitalism was "/clearly/ limited to /various West European countries/" and did "not cover the approval of the argument about the vitality of the rural commune in Russia or cover opposition to the argument about the vitality of the rural commune." What he said on this problem in his letter was based on "special studies on the basis of firsthand data obtained by myself." ("Collected Works," Vol 19, pp 268, 269) This is of great significance to our later Marxists in their approach to Marxist works,

as far as methodology is concerned. The one who gave the clearest explanation on the Marxist doctrine was Marx himself. If the conclusions already drawn were the all-purpose key then Marx could not have more conveniently quoted from his own works in coping with the new problems encountered. Yet Marx was most heated in his opposition to borrowing things mechanically without regard to concrete historical conditions. Therefore, up to his last days, he kept devoting great efforts to collecting and studying new conditions and new data about various countries. It can be seen that in studying Marx' works, we must pay great attention to the conditions giving rise to his conclusions, as we quote them. We must also compare these conditions with the concrete conditions in which we are placed in proving a point or solving a new problem, and draw concrete conclusions from such a comparison. To this end, we must not only get acquainted with history but also more importantly make investigations and studies of the current situation.

Of course, fundamental Marxist principles or those general principles cannot be defied. But can general principles be borrowed in their entirety and have no need to proceed from actual conditions? Certainly not. The internal links and nature of things reflected by any law can only be approximate, and phenomena are always richer than laws. This especially applies to the realm of history. Engels said: "Our theory is developing theory and not dogma that must be recited from memory quickly and repeated mechanically." ("Collected Works," Vol 36, p 584) Under new historical conditions, we must continuously get deeply involved with the reality of socialist modernization and seriously make investigations and studies. Only in this way can we continuously acquire new knowledge, keep up with the times and make ceaseless progress.

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## THE CONTRIBUTIONS OF THE CPC TO THE THEORY OF BUILDING THE RULING PARTY

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[Article by Jia Chunfeng [6328 2504 1496] and Teng Wenshang [3326 2429 3932];  
passages within slantlines published in boldface]

[Text] The proletarian revolutionary cause must be led by the proletarian political party. This is a fundamental principle of Marxism. Marx and Engels explicitly pointed out: "In the struggle against the joint force of the capitalist class, the proletariat will be able to act as a class only when they organize an independent political party in opposition to all the old political parties established by the capitalist class." ("Selected Works of Marx and Engels," Vol 2, p 138) Marx and Engels went through extreme hardships and difficulties in their life struggle to establish a proletarian political party, from joining the Communist League to the establishment and activities of the First International and in giving instructions to the social democrats of Germany, France and other countries. At the same time, they established many important theoretical principles concerning the building of the proletarian political party in accordance with the practical experience of that time. These principles have played a great role in the forming and development of proletarian political parties throughout the world. They are still of great significance in guiding the construction of the proletarian political parties in various countries.

Marx and Engels did not experience the practice of the rule of the proletarian political party in the whole of national life; they did not expound the theory on the construction of the ruling party and it would have been impossible for them to do so. However, they still left us a heritage of most valuable teachings. In his work "The Civil War in France," Marx, in summing up the experiences and lessons of the Paris Commune, said: "The commune is constituent of the representatives of the urban population through a general election in the various districts of Paris." He also mentioned: "The reasonable functions of the old governmental authority should be taken from the power that vainly attempts to ride over society and be given to the responsible public servants of society." Later, in the introduction written for that book, Engels explicitly raised the problem of preventing the change of members of the public service from public servants to masters of society. Marx and Engels induced their opinion on

the theory of state from the experiences and lessons of the Paris Commune. This is also a most important principle for preventing the ruling proletarian political party from divorcing itself from the broad masses of the people avoiding its own deterioration and keeping the true color of public servants of society.

After the victory of the October Revolution, the Bolshevik Party led by Lenin changed from a state of being secret and oppressed to a party in leadership, out in the open. This fundamental change put forward many entirely new problems for study in the construction of the party. It is in accordance with these new problems raised in practice that Lenin expounded a number of vital theoretical questions in the construction of the ruling party, while continuously drawing lessons from, and summing up, the experiences in practice. Lenin held that the party should exercise leadership in state power and in all fields of political, economic and cultural work; and pointed out that this had been the unshakable principle formed in the historical development of Russian revolutionary struggle. However, this leadership of the party does not require the party to take the place of the soviet in its work. Lenin set great store on linking the ruling party with the broad masses of the people; time and again he laid stress on resolutely preventing and overcoming various forms of bureaucratism. He emphasized that "modern 'bureaucratism of members of the Communist Party'" should be guarded against. ("Complete Works of Lenin," Vol 33, p 210) In his last years, Lenin spent tremendous efforts on expounding various forms of bureaucratism within the party and the soviet, its source and its gravely dangerous nature; and put forth many important measures to overcome bureaucratism and to consolidate the party organizations and the soviet political power. Lenin stressed that in order to preserve the proletarian vanguard nature of the ruling party, it is necessary to insist upon the standards of party members. In absorbing new party members, it is necessary to do away with those who attempt to make use of the status of the ruling party for private gains. Lenin expounded the vital significance of bringing into play democracy within the party, of seriously enforcing party disciplines, and of preserving the unity of the party in the construction of the ruling party. In his view, there should be democratic life in the party. Extensive discussion on all important issues should be carried on and opinions should be fully aired before a resolution is made. At the same time, it is necessary to safeguard and strengthen party disciplines, and preserve the unity of the rank and file of the party; and factional activities are to be opposed. Lenin held that in order to strengthen its leadership and its own construction, the ruling party should "unfold the work of propagating communist ideology in the widest scope" ("Complete Works of Lenin," Vol 29, p 89), that its members should set demands on themselves in communist ideology and morality and in communist attitude toward their work. Lenin's theories are of great theoretical value and practical significance to the construction of the proletarian ruling party. Of course, Lenin's practice in leading the ruling party lasted for only 7 years; the further expounding and developing of the theory on the construction of the ruling party can only be realized by Marxists of later days in the development of the socialist cause and in the practice of the construction of the party.

From the very beginning, the CPC was established under the guidance of the scientific theory of Marxism-Leninism. It was an extremely difficult task to establish a Marxist, proletarian political party of a mass character in a country like ours, where the proletariat population was small but had very strong militancy while the peasants and petit bourgeoisie formed an absolute majority of the population. The party construction theory of Comrade Mao Zedong successfully solved this problem. In view of the fact that our party has become the leading political party in the whole nation after the establishment of the PRC, the party and Comrade Mao Zedong time and again demanded that the members of the whole party continually preserve the style of being modest and conscientious, of guarding against arrogance and rashness, of showing the utmost fortitude and guarding against corruption by bourgeois ideology and of fighting against bureaucratism, which makes the party divorce itself from the masses. It was sharply pointed out at the Eighth CPC National Congress that taking the stand of the ruling party, it is very easy for our comrades to divorce themselves from practice and from the masses and be infected with the habitual practice of bureaucratism; and it is very easy for party members to let the mood of arrogance and self-satisfaction grow among themselves, and it seems to them that having become communists, they stand a head taller than nonparty members, and they just love to take a stand above the masses, giving orders and commands. Hence, the growth of narrow-minded sectarianism. That was why the proposal was made at the Eighth CPC National Congress that apart from strengthening the ideological education of party members, it is still more important to strengthen the leading function of the party in every way and to formulate suitable regulations in the state system and party system so as to exercise strict supervision over the party organization and its members. Practice has proven that the analysis of the new problems and new tasks facing the party after it was placed in the ruling position, and the new requirements and measures proposed concerning the construction of the party have been practical. They have played an important role in preserving the vanguard nature of the proletariat in the new situation, and in heightening the militancy of the party.

Our party is one which is serious in the treatment of historical practice and good at absorbing knowledge, wisdom and strength from historical practice with Marxist stand, view and method. The 10 turbulent years made the development of the socialist cause of our nation suffer serious setbacks and caused the party to suffer grave damage in ideology, in style and in organization. After the crushing of the "gang of four" and especially since the 3d Plenary Session of the 11th CPC Central Committee, our party has seriously and systematically summed up the positive and negative sides of the extremely rich historical experience of the construction of the ruling party in the past 30 years or so. Our party has learned a lot of valuable things, both from successful experiences and lessons of setbacks. These not only help the party to be cooler, firmer and more realistic in politics and in practical work, but enable the party to become more mature, more profound and stronger in scientific creativeness in its theoretical thought and the implementation and development of theory. As stated in the report made by Comrade Hu Yaobang at the 12th CPC Congress: "Our party has gone through tests and transformation in the process of leading the people

to complete the historic change. The party has done a lot of work in rectifying party style, the good traditions are being restored and it is becoming stauncher and more mature in the tempering of struggles." Then, what are the contributions made by our party to the theory of the construction of the ruling proletarian party?

/The ruling party should correctly handle the relationship between itself and the government and other organizations./ This is a most important practical and theoretical problem facing the ruling party. Upholding party leadership in state and social life is an unshakable political principle. However, what is the essence of the leadership of the party? Through what channels will the party be able to exercise its correct and effective leadership? These problems are not to be solved spontaneously by simply affirming the leadership of the party. For a long time, grave phenomena of lack of distinction between the party and the government, party replacement of the government, assumption of administrative affairs by the party committee and of party organizations paying no attention to party affairs have been existing in our leadership system and in work concerning leadership. Some of our comrades fail to distinguish between the unified leadership of the party in the state and various affairs in building socialism and assumption of, and interference in, everything by the party committee. They have the wrong impression that the more affairs the party committees take into their care, and the more detailed their involvement in those affairs, the more this will strengthen the leadership of the party. This has resulted in the situation that everything must be reported to the party committee, and everything must be decided upon by the party committee and even by the party secretary himself. Hence the overconcentration of power, the low efficiency in the party and government organs, and the development of bureaucratism. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has clarified these problems theoretically through serious study of historical experience. The new party constitution adopted by the 12th CPC Congress indicates: "The leadership of the party is primarily leadership in politics, ideology and organization." In our state and social life, the party is to exercise efficient leadership through the following channels: mainly through formulating and exercising the correct line, principles and policies; through painstaking but effective ideological and political work, and work in propaganda and education; through strict and meticulous work in organization, chiefly in cultivating, selecting, employing and supervising cadres--and the most important link here is to select and send those comparatively suitable persons to various leading posts--and relying on the party organizations and the masses of people to exercise serious supervision over the party members in leading posts at various levels; and through bringing into full play the role of vanguards and models of the party members at each post, who will influence, attract and motivate the broad masses of people with their own practical actions. In order to overcome the damage caused by the confusion of the different functions of the party and the government, our party has clearly proposed that the leadership system of the party and the state must undergo reforms, with a view to correcting the malpractice of overconcentration of power, and to carrying out the principle of division of labor between the party and the government. It is pointed out that the party is not a power organization

to issue orders and commands to the masses, nor is it an administrative organization or a production organization. It is wrong to make the leadership of the party equivalent to administrative work and production command in governments or enterprises. There must be a suitable division of labor between work of the party and of the government, and between work of the party and work of administration and production within enterprises and business units. It is necessary for the party to ensure the effective exercising of power in the state power organs, administrative organs, judicial organs and various economic and cultural organizations, and genuinely set up a strong and forceful working system from top to bottom, from the State Council to the governments in the localities at various levels. The party should also guarantee that the trade unions, the CYL, the Women's Federation and other mass organizations will carry on their work actively, responsibly and independently. The correct and effective leadership of the party is to ensure that these organs and organizations carry on their work in a lively and cooperative way and bring into full play the initiative of each. The conceptualization of the aforesaid theory, and the principle newly formulated, and made in accordance with the practice of the party in work concerning leadership over the years. It is of guiding significance for the ruling party in correctly handling its relationship with the government and other organizations, in strengthening the construction of the party itself and in improving its leadership.

/The ruling party must act within the scope of the constitution and the law./ This is an extremely important principle drawn by our party from the historical experiences since the founding of the CPC and especially from the historical experience of the 10 turbulent years. The 3d Plenary Session of the 11th CPC Central Committee stressed that in order to safeguard the democracy of the people, a socialist legal system must be enforced so as to make democracy systematized and legalized, and to make the system and the law stable, continuous and authoritative. The following are to be achieved: There must be a law for all to abide by; everyone must act in accordance with the law; the exercise of the law must be strict; and violators of the law must be investigated and held accountable. The constitution and the laws of our country are produced by the people under the leadership of the party. They express in a concentrated way the will and interests of the whole nation and the policies and propositions of our party, and are the union of the party's propositions with the interests of the people. Once the constitution and the laws are adopted by the highest state power organ, the whole party should take the lead in observing and exercising them, that is to say, in their activities all party organizations and party members, from central to grassroots levels, should not violate or run counter to the constitution and the laws of our nation. This stipulation concerning the activities of the party has embodied the fundamental principle of the faithfulness of our party in exercising the will of the people and in representing the interests of the people. It is beneficial to safeguarding the authority of the socialist legality of our nation, beneficial to preventing and correcting the special privilege mentality of paying no heed to the constitution and the law on the part of some members and cadres of the party, and beneficial to heightening the prestige and militancy of the party.

/The ruling party should continuously make complete and improve the democratic centralism of the party./ Democratic centralism is the basic organizational principle and system of the party. As a result of the incompleteness of the democratic centralism of the party and of the damage done to it in the past, the political life in the party was not normal. That was why the party and the state could hardly prevent the initiation and development of the "Great Cultural Revolution." This is an extremely grave lesson. Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has time and again stressed that it is necessary to build the party into one with a complete system of democratic centralism. In the new party constitution and other documents issued by the party, more systematic and complete stipulations have been made on the basic principle of democratic centralism. First, it is clearly stipulated that the party committees at various levels should practice the system of collective leadership in combination of division of labor and responsibility among the individuals, and that any forms of personality cult are forbidden; at the same time it should be ensured that the activities of the leading members will be under the supervision of the party and the people, while safeguarding the prestige of all leading members who represent the interests of the party and the people. The whole party should firmly establish the sense of democratic centralism, especially leading cadres at various levels. They should correctly understand the relationship between the leader and the masses, class and the political party; and correctly realize that any leading personage who has played a progressive role in the development of history must be one who represents the interests of the masses and concentrates the will of the masses. No vital issue should be decided by a single individual; it must be decided upon by the party committee through democratic discussion. Second, the principle that all members and cadres of the party should be in political unity with the Central Committee is clearly stipulated. Besides, on the relationship between the central authorities and the localities, between organizations at upper and lower levels, and between individual party members and the party organization, a number of stipulations are made which embody democracy and centralism at the same time, in addition to the reaffirmation in more accurate terminology of the principle that the individual party member is subjective to the party organization, the minority is subordinate to the majority, organizations at a lower level are subjective to that of a higher level, and party organizations at all levels and all party members are subject to the national party congress and the party Central Committee. For instance, it is stipulated that in the relationship between organizations at a higher and a lower level, they are to pass on information to each other, support each other and supervise each other; and organizations at a higher level are not to be insufferably arrogant toward those at a lower level; while organizations at a lower level are not to feign compliance with those at a higher level or to be subject to them in an unprincipled way; and if it is considered that a decision made by the organization at a higher level does not accord with the practical situation of a locality or department, organizations at the lower level may require a change of the decision, and so on. To make the system of democratic centralism complete and consolidated, many new stipulations are made on party disciplines, which are stricter than before. For instance, a principle is stipulated that all are equal before party discipline and there is

no allowance for special party members who can ignore party discipline; apart from observing party discipline, every party member should conscientiously observe the discipline of the government and the laws of the state; violation of party discipline in the treatment of party members and the violation of the democratic rights of party members are strictly forbidden; and any acts of retaliation and false accusation are strictly forbidden, and so on. All these principles and stipulations are important measures to improve the democratic centralism of the party, and will be stricter in ensuring the practice of the system of democratic centralism.

/The ruling party should at all times pay attention to strengthening its tie with the masses./ Since the 3d Plenary Session of the 11th CPC Central Committee, our party has time and again put forth the issue that the question of the style of a ruling party is a question that concerns the life and death of the party. Fundamentally speaking, the essence of the style of the party is whether the party is able to keep in close touch with the masses of the people. The ruling status of the party determines that the activities of the party have much to do with the gain or loss of the interests of the broad masses of the people. However this status will easily give rise to the danger of being divorced from the masses on the part of the party members, and especially the cadres of the party. Therefore, the party requires all party members and especially the leading cadres to understand that the people are the masters of the state and society, and we ourselves are public servants of the people. The power given to us by the people must be used in working wholeheartedly for the interests of the people and should by no means be used for private gains. If those who are endowed with power by the people fail to be responsible to the people, fail to go deep into the realities of life, fail to lend an ear to the voice of the masses, fail to accept the criticism of the masses and fail to carry out the will of the masses, they will be turning upside down the relationship of master and servant and lose their qualification as public servants of the people. If we should mistakenly understand or abuse the ruling status of the party and take it that a party member can order the masses about, and ride over the masses, it will do serious damage to the relationship between the party and the people, and make revolution and construction suffer defeat, while the party will be in danger of deterioration. In order to further consolidate the flesh-and-blood link between the party and the people, a series of regulations concerning principle and system are made by the party. For instance, it is stipulated that all cadres of the party must immerse themselves in the masses and often tell the masses truthfully the situation of the nation, work and policies of the party, and overcome bureaucratism and commandism in all forms. Leaders at all levels should persist in the principle that under no circumstances should they create a situation which puts them in opposition to the masses. When it is required to mobilize the masses to do something, every party member, and especially those in leading posts, must first start doing it himself, and so on. Our party has often educated our party members and cadres, making them understand that among the masses of people, communist members are in the minority at all times, and that all kinds of party work can be done well only by adopting the mass line, by relying on the people, by absorbing the wisdom of the people, by respecting the creative power of the people and by accepting the supervision

of the people. Investigation is important in the practice of the mass line, man's correct thinking derives from practice; without investigation, man's thinking will be led to the wrong path of one-sidedness and there will be no genuine ideological emancipation. Sometimes in our work, we fail to rid ourselves of the old frames and bondages of "leftism," or we go to the other extreme and commit the mistake of rightism. In the matter of work style, we rush headlong into mass action in some cases, setting one norm for all situations; while in other cases, we have no end of misgivings and fail to progress in our work. All these cases have something to do with divorce from the realities of life and from the masses. At present, our party is more conscientious in placing this issue on the basis of formulating and implementing the policies concerned. The aforesaid idea and principle is a continuation and development of Comrade Mao Zedong's thinking on the mass line of relying on the masses in everything and doing everything for the masses.

/The ruling party must set higher and stricter requirements on its members and cadres./ When a political party has become the ruling political party, the possibility exists for some party members to make use of the change in the status of the party; and they might make use of every opportunity and condition to use their public office for their private gains, to benefit themselves at the expense of the public, and to take advantage of the nation, society and the masses. The occurrence of this phenomenon will surely cause serious damage to the prestige of the party among the masses of people and in the function of the leadership of the party. Therefore the new constitution adopted by the 12th national party congress has set stricter requirements on party members. The party constitution stresses that a member of the Communist Party is always a common member of the laboring people. A party member should fulfill more obligations than a nonparty member; apart from the personal interests and authority of office as regulated within the realm of the system and policies, he is not allowed to make any private gains or enjoy special privileges. A party member must persist in placing the interests of the party and the people above all else, and his personal interests are subject to the interests of the party and the people. He should always bear hardship first and take enjoyment last. A party member should be subject to the allocation of work by the party organization, and conscientiously observe the discipline of the party and the law of the state; he should be strict in keeping the secrets of the party and the state, be resolute in fighting against factionalism and be bold in revealing and correcting shortcomings and mistakes in any work. He should support good people and good doings, and oppose bad elements and evil doings. As a party member he should not stick to old ways, attempt nothing and achieve nothing, but should be bold in blazing new trails and always preserve revolutionary youthful vitality. A party member should play a vanguard and model role in production, work, study and in social life, and so on. These strict requirements are also the standard of being a member of the ruling political party. It is an extremely important issue in the building of the ruling party to recruit party members and to educate and supervise party members in strict accordance with these requirements and stand. It has a direct bearing on whether the party will preserve and strengthen its advanced nature and militancy. Under the new situations, our

party has also set higher requirements on its cadres, and has carried out necessary reforms of the cadre system in accordance with the needs of socialist modernization and the existence of malpractice in the current cadre system. Our party has made the decision of abolishing the life tenure system of leading cadres, which is currently in existence. It is clearly defined that the period of office of leading cadres at various levels will be different according to the need of the office and the person concerned, and suitable arrangements are to be made according to different conditions. No office of any leading cadre is for life--it can be changed and removed. It is proposed that efforts should be made in making the army of cadres revolutionized, younger in average age, better educated and more specialized; the building of the army of cadres should be gradually transformed; the number of general administrative cadres should be cut down and cadres with specialized knowledge in various professions and trades should be greatly increased in number; various systems concerning cadres are to be established and completed, such as election, admission examination, appointment and removal, examination, assessment, impeachment, award and punishment, promotion and demotion, rotation in office, leave of office, retirement, and so on. It is necessary to strengthen the standard education and rotational training of the cadres and the work in rotational training and general training; and schooling and academic records should be an important basis for the employment and promotion of cadres as evidence of working experience and merits in one's work. All these are the new guiding principles and practical measures in improving the party cadre system and in strengthening the building of the force of cadres.

/The ruling political party must correctly carry on inner-party struggles./ An important question for study in the ideological and organizational construction of the ruling proletarian political party is how, under the conditions of socialism, inner-party contradictions are to be correctly handled and how inner-party struggles are to be correctly conducted. Based on the experiences and lessons on this question since the founding of the PRC and especially in the 10 turbulent years, our party has pointed out on one hand, that constant and serious criticism and self-criticism should be practiced, erroneous thinking of various types should be overcome, erroneous "leftist" or "rightist" tendency should be opposed, anarchism and extreme individualism should be fought against and unhealthy tendencies of all kinds should be corrected, and at the same time corrupt and deteriorated elements who ride roughshod over the people should be swept off, so as to preserve the ideological and organizational communist purity of the party. On the other hand, it is emphasized that concerning inner-party contradictions and struggles, it is necessary to make concrete scientific analysis conforming to facts. It will not do to simplify all the complicated inner-party struggles into one rigid mold, labeling them all as the reflection of class struggles in society, as an expression of "struggle between the lines," and wage "bitter struggle and merciless blows." It is also emphasized that from now on, concerning the question of inner-party struggles, the term "struggle between the lines" and "line error" are not to be used in principle; only the exact nature of the struggle and the exact contents of the mistake are to be mentioned.

It is absolutely forbidden to adopt the fascist means of Lin Biao and the "gang of four" in solving inner-party problems; we must strictly forbid the so-called ferret out and struggle; strictly forbid personal insult and personal persecution; strictly forbid joint attack on a comrade who has committed a mistake, and the form of "struggle meeting" in which the person concerned is not allowed to defend himself, and other comrades are not allowed to air different views. Under no circumstances should the innocent relatives and friends of the person concerned be involved. These principles and conclusions obtained at a bitter price will no doubt carry a profound significance in correctly carrying on inner-party struggles from now on, in safeguarding normal democratic life in the party and in consolidating and strengthening the unity of the party.

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It is only 4 years or so since the convening of the 3d Plenary Session of the 11th CPC National Congress. In the past 4 years or so, very rich results in theory concerning the self-construction of the party have been achieved by our party. The few aspects mentioned above are not an all-round discussion of these theoretical results. In accordance with the established principle of the 12th CPC National Congress, it is decided that starting from the latter half of this year, an all-round rectification of the party style and party organization will be carried out by stages, and in turn, within 3 years. Leaving no doubt, along with the development in the practice of party construction, the CPC will definitely continue to push forward Marxism-Leninism and Mao Zedong Thought concerning the theory of the construction of the ruling political party.

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LOOKING BACK AT REFORMS IN THE ECONOMIC SYSTEM CARRIED OUT SINCE THE  
FOUNDING OF THE COUNTRY

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[Text] Since the founding of the PRC, our party and government have taken steps to basically reform old China's semifeudal and semicolonial economic system in order to prepare the ground for establishing a new economic system. During the First Five-Year Plan period, a centralized and unified economic system was initially formed, following which there were several changes and reforms. Since the 3d Plenary Session of the 11th CPC Central Committee, new progress has been made in the reform of the economic system. Looking back at past history and absorbing therefrom beneficial experiences and lessons can carry important significance in doing a good job of further reforming our country's economic system.

The centralized and unified economic system of our country was formed under the following economic and historical conditions: First, after the country's liberation, a socialist public ownership system with a state-run economy occupying the leading position was established. In order to speedily effect the recovery of the national economy, to establish socialism in a planned manner, and to carry out the socialist transformation of the private ownership system of the means of production, the establishment of a centralized and unified economic system was deemed necessary. Second, the traditional supply system providing working personnel and their dependents with the prime necessities of life formed during the prolonged revolutionary war years was also an important factor in the formation of the economic system. Third, during the initial period of the founding of the republic, we lacked the necessary experience in economic management and control and, in many respects, had to follow the Soviet Union's methods at the time.

Whether or not we were able to have an all-round and correct understanding of our country's national condition and whether or not we could, on the basis of our national condition, analytically and correctly treat the experiences and traditions of the Soviet Union and of the liberated areas all produced important effects on the formation of our country's economic system and the subsequent reforms therein.

The socialist centralized and unified economic system was shaped and formed during the First Five-Year Plan period. It maintained a certain degree of flexibility. At that time various forms of the ownership system were allowed to exist, simultaneously with the existence of absolutely superior conditions for the formation of an economy under the public ownership system. It was on the basis of the existence of various forms of ownership system that the following measures were implemented: Subjecting state-run economy to "unified planning and control and administration at various levels" and subjecting capital construction to effective centralized and unified control; carrying out a system of direct planning and indirect planning on the entire economy and carrying out the guidance and rebuilding of agriculture, private industrial and commercial enterprises and the handicraft trade through utilization of various economic measures such as price fixing, taxation and credit and loans; and carrying out a measure calling for control at various levels, but subject primarily to centralized control by the central authorities on matters of finance, material resources and labor's remuneration. This type of a centralized and unified economic system conforms with the existing national condition of a low level of economic development, simple economic structure and the need of concentrating forces to carry out economic construction.

Before 1956, this type of centralized and unified system possessed in many respects a certain degree of flexibility. It involved domination but allowed certain laxity. This was manifested as follows: 1) When socialist transformation reached its high tide of development and there was a tendency of being too hasty and being too much inclined to the "left" such as blindly merging private industrial and commercial enterprises, the handicraft trade and small shops run by husbands and wives, the State Council issued in time a directive calling a halt to these activities. The directive made a rational delineation between what enterprises should be merged and what enterprises should not. It also specified that for half a year after an enterprise had been transformed into a public and private jointly run enterprise, the original operation method should be retained. This enabled products with special features and those of a famous brand as well as the beneficial knowledge and technical knowhow of the capitalists to be likewise retained. Although these correct requirements were not actually carried out thoroughly, they exerted a certain restrictive influence on the "leftist" inclination at that time. In 1957, after the basic completion of the socialist transformation, the output value of individual handicraft trade still occupied 4.8 percent of the gross output value of the whole handicraft trade and the business volume done by individual retail merchants still made up 4.2 percent of the gross volume of retail sales of the society. After the cooperative transformation of agriculture, commune members were still allowed to run private plots and household sideline trades. 2) The government carried out a system of combined direct planning and indirect planning. Direct planning was carried out on state-run enterprises of the central government and on important products; indirect planning was carried out on a portion of local state-run enterprises and private enterprises. As for collective agriculture, except for several important products such as grain, cotton, oils and swine, which were subjected to unified purchases and levy purchases, indirect planning was carried out on

all other agricultural products. Coexistence of various forms of economy and of various kinds of circulation lanes was permitted in the circulation areas. Means of production turned out by private enterprises were allowed to be offered in the markets and medium-size and small industrial enterprises were given certain rights to market their own products. At that time, the government, by means of direct planning and other tactics managed to master sufficient financial power and material resources to implement the principle of "controlling but not killing" and of "enlivening but not setting in a state of discord." 3) Initial reforms were carried out on the salary and wage structure and on the system of remuneration. State planning and autonomy of the enterprises were combined together. The state had control of the gross amount of wage payments and the powers of fixing the standard for various wage levels. Within the scope of the wages funds for the fiscal year allowed by the state, enterprises were allowed to make their own arrangements on matters of promotion and when conditions were ripe they could enforce the system of piece wages and the award system. This helped to arouse enthusiasm for production and learning of technology on the part of the personnel.

During the First Five-Year Plan period, under conditions of political stability in our country and implementation of relatively correct economic policies, this type of centralized and unified economic system enabled us triumphantly to complete our socialist transformation. The national economy developed in a planned and proportionate manner and we were able more speedily and effectively to carry out economic construction centering on 156 important projects. The gross industrial output value averaged an annual increase of 18 percent and the gross agricultural output value averaged an annual increase of 4.5 percent. Commodity prices in the markets were stable. Real wages earned by the employees and workers in the 5 years increased by 30.5 percent and the peasants' income increased by 20 percent.

Toward the end of the First Five-Year Plan period, several evils of the system were apparent. They were: The ownership structure was assuming a singular form, power was overcentralized in the central government and the control over the enterprises was too tight. The number of enterprises under the direct control of central government departments had increased from 2,800 in 1953 to 9,300 in 1957. Since production and construction planning were under the separate control of the central and local governments, in the fields of industry, communications and transportation, the phenomena of an unbalanced development and of mutually getting out of joint were evident. The localities had no power to organize production cooperation with enterprises directly subordinate to the central government, as a result of which certain of these enterprises could not bring their capacity into full play. The central government had control of 75 percent of the financial power whereas the localities controlled only 25 percent. The latter were thus unable to undertake any necessary local construction projects. More or less the same problem applied to the distribution of natural resources. In particular, during the last stage of the First Five-Year Plan period, the scope of direct planning was overextended without any differentiation. This substantially reduced the autonomous power of the enterprises in such spheres as labor, finance, natural resources, production, supply and

marketing. All this adversely affected the enthusiasm and initiative of the localities and the enterprises.

In 1956, Comrade Mao Zedong, in his essay "On the 10 Big Problems," advocated enlargement of the power of the localities and enterprises. In 1957, the central government and the State Council adopted the draft "Regulations on Improving the Industrial Control System." They advocated that except for the large backbone enterprises of the heavy industrial departments a portion of the enterprises could, under separate varying conditions, be turned over to the localities. This was a relatively rational reform measure calling for appropriately enlarging the power of the localities and the enterprises. At the same time, draft regulations on reforming the commercial and financial systems were released to the localities.

During the period of the Great Leap Forward, the "communist wind blew heavily," targets were unduly raised, the power of the localities was inappropriately expanded, and too many large backbone enterprises were turned over to the localities. Following the Great Leap Forward movement and the movement for the establishment of people's communes, the whole of economic work, falling under the guidance of "leftist" erroneous thought, became divorced from our national condition. The "communist wind" again blew heavily. Targets were set too high. The provinces, municipalities, and districts were urged to set up independent industrial systems. In many respects, the industrial management and control system departed from the correct principles underlying the regulations governing the 1957 reform measure. The focal point of the changes in the economic system was expansion of the power of the localities. Of the enterprises directly subordinate to the central government, 88 percent, including many large backbone enterprises of heavy industry, were released and subjected to the control of the localities, without appropriately expanding the power of the localities in planning, in capital construction, and in the handling of finance, natural resources and labor power. In the countryside, 99 percent of peasant households were incorporated into the people's communes. The principle of unification of political and communal power was put into practice and the communes were given control over rural finance and trade. In the cities and towns, the shops and units of collective commerce were merged into state-operated commerce; handicraft cooperatives were transformed into local state-operated plants and cooperative units; the categories of tax were reduced in number; tax collection power was released to the localities; and banking structures were likewise released to the localities. At the same time, there was thought of expanding the enterprises' power of control, reducing the number of "mandatory" targets and bestowing on the enterprises certain powers of appointment of personnel. Unfortunately, under the conditions of the targets being raised to level after level and the rampant issuance of administrative directives and "blind commands," these measures were not carried out in their entirety.

Although the measures did play a substantial role in arousing the enthusiasm of the localities, developing local industries, and enhancing the revenues of the localities, generally speaking, they failed in achieving their objectives, since they were implemented under the guidance of "leftist" erroneous

thought. First, the starting point for the downward release was to allow the localities to form their own structure and to realize the so-called "Great Leap Forward objective" of "surpassing Britain and catching up with the United States." Second, the downward release lacked appropriateness, since certain economic decisionmaking powers originally in the hands of the central government were given to the localities while some of the provinces conveniently passed them on to the districts and counties. Third, the downward release did not take the form of a safe or smooth changeover with adequate preparations made beforehand. Rather, it assumed the form of a political movement, was decided on abruptly, little time had been given to the changeover, and, all in all, the change was much too fast. Fourth, concurrently with expanding the power of the localities and enterprises, no attempt was made to strengthen macrocontrol. In particular, no attempt was made to control the scale of investments in fixed assets or the numbers of personnel or the gross outlay of salaries and wages, or to strictly follow the capital construction schedule.

During this period, certain of the successful performances in the economic system of the First Five-Year Plan period were negated. The public ownership system gained the upper hand. The structure in which various economic forms coexisted was criticized. It was taken over by a singular public ownership system which was heavily tilting toward transition to a singular system of ownership by the whole people. The system of a combination of direct planning and indirect planning devoted to the employment of economic regulation measures was also challenged. Under the slogan of the undertaking of industrial pursuits by the whole people and under the guidance of the thought of self-sufficiency of petty producers, various evil symptoms emerged such as "blind production," duplicate construction, universal establishment of "small but whole" enterprise units, disregard of economic results, and so forth. In the distribution system, the supply system, which should have been discarded long before, was propagated, the "communist wind" was allowed to blow, equalitarianism and indiscriminate transfer of resources came into practice, and the principle of distribution according to work was negated, which greatly aggravated the evils of an "iron rice bowl" and "everybody eating from the same big pot" that had been so protruding during the First Five-Year Plan period. As a result, the expansion this time of the power of the localities and of the enterprises did not produce good social and economic effects. From 1958 to 1962, the net output value of agriculture averaged an annual decline of 5.9 percent, that of light industry, a decline of 2 percent and that of heavy industry an increase of only 3 percent. Simultaneously, the average real wages per worker dropped 20 percent. For 3 years in succession, the budget figures were in the red. Naturally, this was due to the fact that under the "leftist" erroneous guidance, the macropolicy decision was faulty, but it was also related to the errors committed in the course of the changes in the economic system during the period.

Useful attempts were made to reform the system during the readjustment period of the 1960's. In order to rectify the "leftist" errors of the period of the "Great Leap Forward" and to achieve the national economy's recovery and development, in the winter of 1960, the CPC Central Committee

decided on the policy of "readjusting, consolidating, filling out and raising standards" for the national economy and our country entered a period of readjustment of the national economy. Covering the readjustment task, a series of reforms were undertaken on the economic system. In the initial period, emphasis was laid on rectifying inclinations, restricting the fixed asset investments of the localities, and abolishing the practice of increasing targets step by step. The enterprises and power that were overreleased or overextended to the localities during the period of the "Great Leap Forward" were restored to the central authorities; under the logical premise of the system of ownership by the whole people occupying the leading position, the collective economy was appropriately restored and developed, individual economy was allowed to exist in the urban and rural areas, and commune members were allowed to retain private lots and run household sideline pursuits; and under guidance of the state plan, country fair trade developed, and the role of such economic measures as price fixing, taxation and credit and loans was brought into full play. Following the improvement of the economic conditions in the final period, new reform measures were adopted: the localities were assigned to make arrangements for the capital construction investments of 19 nonindustrial departments; the flexible nature of the enterprises' handling of financial affairs was appropriately expanded; 13 nationwide industrial trusts were put in trial operation; and further investigation was made into the methods of enterprise management and organization of specialized and socialized large-scale production in strict accordance with economic laws; and starting with the readjustment, particularly at its final period, attention was paid to economic legislation and supervision and a series of control regulations were adopted, these including the following: "60 articles on agriculture," "70 articles on industry," "40 articles on commerce," "6 articles on finance," and "6 articles on banking."

The reforms carried out in the readjustment period were not confined to merely restoring the economic system in force at the final stage of the First Five-Year Plan period. Following the economic recovery, attention was given to the fact that in centralization dispersion still existed. Hence, in the production and circulation of agricultural and sideline products, the supplementary role of regulation by market mechanism was brought into full play and worthwhile trial efforts were made in the employment of economic measures to control economic affairs. All this was in conformity with the demand for developing the national economy. From 1963 to 1965, the average annual growth rate of the gross value of industrial and agricultural output was 15.7 percent, the average per capita income of employees and workers increased by 34.5 percent in 3 years, and the peasants' income increased by around 15 percent. Unfortunately, at the time, "leftist" erroneous thought, as a whole, had not been rectified. As a result, under the conditions of the public ownership system occupying a commanding position and the coexistence of various economic forms and under the guidance of the state plan, the carrying out of regulation by market mechanism and the opening up of country fair trade frequently met with intervention from "leftist" erroneous thought. In addition, the evils of overcentralization continued to exist, such as a number of departments absorbing or withdrawing from below too many enterprise units, the

overcentralization in the distribution of resources and the enterprises still exercising too little autonomous power.

During the period of the 10 years' disturbance, another inappropriate downward release of power happened, and so-called "transition in poverty" and "cutting off capitalism's tail" were put into practice on a large scale. Guided by the "leftist" thought of unrealistically persuading the localities to form separate entities by themselves and to achieve self-sufficiency and with the political background characterized by slogans calling for "down with despotic rules and regulations" and "criticism of the so-called restoration of capitalism," power was released downward for the second time and "transition in poverty" and "cutting off capitalism's tail" were in effect carried out. For a period of time before and after 1970, over 2,600 large and backbone enterprises including Angang and Daqing, all of which were organs directly subordinate to the central government, were turned over to the control of the localities. Concurrently, an all-round contract system on material resources and finance was implemented in an effort to expand the scope of power of the localities in material resources, finance, investment, planning, management and so forth. Many of the economic measures restored during the readjustment period were abolished or negated. These included permission for the existence of individual economy in the urban and rural areas, allowing commune members to retain their private plots and to conduct household sideline production activities, and the limited use, under planned guidance, of regulation by market mechanism. The measures that remained were all in their last breath, so to speak. In their place, "everybody eating from the same big pot" was in practice and the equalitarian supply system was propagated as part of communism. The various kinds of rules, systems, regulations and procedures which were formed or perfected during the readjustment period were negated under the slogan of down with the measures of "control, blocking and suppression." The trusts that were tried out during the readjustment period were criticized on the pretext of their revisionist nature. The localities and the departments were divided. Phenomena of "blind production" by "large-and-whole" and "small-but-whole" enterprises and of redundant or duplicate construction increased in severity, spreading to the districts, counties and even the rural people's communes. A rather large proportion of the changes made during this period in the economic system was repetition of what had been done during the period of the "Great Leap Forward." Some even went further and brought about even more serious consequences. In 1976, the profit ratio of funds invested in industrial enterprises in the whole country was only 50 percent of that in 1965, while over one-third of the enterprises reported losses. The total amount of the losses was around 7.3 billion yuan. Over the 10-year period, the average real wages of the employees and workers not only were not increased but actually declined by 6 percent. The income of the peasants from the collectives increased only slightly.

After the evolutions of several historical periods, the economic system immediately before the 3d Plenary Session of the 11th CPC Central Committee showed certain definite changes in comparison with the economic system in existence at the final stage of the First Five-Year Plan period. As for

the relations between the central government and the localities, the situation of the overcentralization of power in the central government seen in the final stage of the First Five-Year Plan period saw rather big changes as a result of first the downward release and subsequently the upward withdrawal of power. This had the drawback of overcentralization of power as well as the problem of its overdispersal. At the end of the First Five-Year Plan period, the drawback of the state overexerting itself in the control of and intervention in of the enterprises suffered no change and the drawbacks of equalitarianism which negated the principle of distribution according to work in the internal distribution of the enterprises and in rural collective economy and of the practice of "everybody eating from the same big pot" became more serious. Other evils were also more outstanding such as the ownership system turning into one which was solely a public ownership system, banning of regulation by market mechanism in planning, and negation of the law of value and of other economic laws.

Since the 3d Plenary Session of the 11th CPC Central Committee, reforms of the economic system have entered a new stage. The reforms were carried out following liquidation of the "leftist" erroneous guiding thought and were based on the demand for developing the productive forces and on the special features of the national condition. They were led by firm leadership and were backed by strong theoretical support. They started from the lower levels to reach the upper levels and spread from a single point to the whole surface. They went through typical tests and the experiences of the populace were continuously summarized. They were well led and progressed in a systematic manner.

The reforms this time departed from the former small circle of mainly dwelling on division of power between the central government and the local authorities. They were carried out principally in four directions: First, on the relations of the ownership system, efforts were made to restore order out of chaos. They began with changing the singular public ownership system and the singular whole-people ownership system, that had prevailed on account of "leftist" intervention, into a system in which public ownership occupied a predominant position but with various economic forms in coexistence. In the past 4 years, in the cities and the countryside collective economy and individual economy greatly developed; with agricultural and sideline production turning to specialization and the development of their products into commercial commodities, a large number of energetic and lively specialized households and economic combines emerged. Many state-run small stores, small service units, and small eating places adopted a new operation form in which they were still state-owned but their operation was contracted to the staff either collectively or individually. Second, on the side of production and circulation, the principle in force was that planned economy was the principal link while regulation by market mechanism was supplementary. The forbidden area in which the means of production were not treated as commercial commodities was penetrated and the means of production for industry began to freely circulate as regular commodities. Operation of the circulation channels, formerly solely in the hands of state-run commerce, was initially converted into operation by the state, by collectives and by individuals. The operation forms were

changed from unified purchase, contracted marketing and planned transfer by state-run commerce and departments in charge of material resources into various forms such as unified purchase and marketing, planned transfer, planned purchase, placing purchase orders, selective purchases and the enterprises handling the marketing of their own products or acting as agents for others in marketing, or acting jointly with other enterprises in marketing. This has enabled the enterprises to become concerned with the markets and to adapt their capacity accordingly. It has also encouraged the enterprises to enter into useful competition with each other in such respects as the quality of their products, the variety of their products, and the kind of services they offer. Third, with regard to the relations between the state and the enterprises, as a first step the situation of the state exercising too tight a control over the enterprises was changed and the enterprises have become economic units with a definite amount of autonomous power. Over the past 4 years, the trial points on expanding the power of the enterprises have extended to the actual implementation of the economic responsibility system and to making the enterprises pay taxes in lieu of remitting profits. At present, about 80 percent of the enterprises possess a portion of decisionmaking power on such matters as planning and making arrangements, purchases and sales of products, division of profits, use of capital funds, and appointment and dismissal of medium-level cadres. Within the enterprises themselves, the economic responsibility system has been enforced. This has initially linked up the economic interests of the workers with those of the enterprises and with the production and operation results of the group, and, in varying degrees, has removed the equalitarianism of "everybody eating from the same big pot" within the enterprises. It has also gradually restored and established a democratic management system, thereby invoking the workers' sense of responsibility as masters of the enterprises and in this way better arousing their enthusiasm and incentive. Fourth, on the side of the economic organization structure, in order to bring about a change in the situation of the division of the departments and the localities and of the enterprises endeavoring to become "large-and-whole" or "small-but-whole," an initial attempt was made to gradually form economic regions of varying forms and sizes and possessing various special features. These economic regions or zones were based on the central cities and towns as centers, featuring a combination of departments and localities, linking together of the urban and rural areas, and the comprehensive development of agriculture, industry, commerce, transportation, technology and the service trades. Enterprises have been reorganized or combined in strict accordance with their economic inner relationships. Over the past 4 years, a number of enterprises of nationwide scope and of a locality nature have been formed. To a certain extent, they broke through the limits of departments and localities and implemented the principles of specialized cooperation and the comprehensive utilization of resources. This promised to be a good beginning, on the economic side, for organization and administration work to meet the demands of large-scale socialized production.

Aside from the breakthrough on all four sides, initial reforms have been carried out on other systems such as labor, taxation and banking. Relatively good results have been achieved in this connection.

These reforms in the past 4 years have effectively aroused the enthusiasm of the central departments, the localities, the collectives and the workers. They have enlivened economic life in the cities and the countryside, and have played an important role in promoting economic development and improving the people's livelihood. In these several years, in the midst of the readjustment, the national economy has continued its growth. From 1979 to 1981, over a period of 3 years, the gross output value of agriculture averaged an annual increase of 5.6 percent, that of industry averaged an annual increase of 7.1 percent, the income distributed by the collectives to each commune member averaged an annual increase of 12.3 percent, and, on average, the salaries and wages received by the employees and workers averaged an annual increase of 11 percent.

However, it should be noted that the reforms over these several years were made while readjustment was still in progress. They were only partial reforms and were of a probing nature. In handling the relations between the state, the collective and the workers, it took us 5 years to promote the system of contracted responsibilities with payment linked to output and we have obtained successful experiences. We have thus found a road to reforms which conform to the national condition of the country. We need to probe further into how industrial and commercial enterprises in the urban areas may, in accordance with their own special features, utilize the rural experiences. We still lack a full set of experiences to help us tackle problems like the following: How to correctly handle the relations between the central government and the localities; how to solve the problem of the division of work between political departments and the enterprises and how to break through the state of division and demarcation between departments and regions and between the cities and the countryside in order to form a nationwide united socialist market; how to reform the price system, utilize the law of value and concretely implement the principle of "taking planned economy as the principal link and regulation by marketing mechanism as the supplementary factor," in order to achieve the objective of keeping big problems under tight control and "letting live" the smaller ones; and finally, how to really solve the problems of the "iron rice bowl" and "everybody eating from the same big pot" in the labor system and the distribution system. All this will require us, based on historical experiences, to make further investigation both in practice and in theory, so that we may carry out the reforms on our country's economic system in an all-round manner, systematically, firmly and in an orderly way.

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STATE-RUN ENTERPRISES' SWITCH FROM PROFITS DELIVERY SYSTEM TO TAXATION IS  
A MAJOR REFORM IN THE ECONOMIC MANAGEMENT SYSTEM

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[Article by Tian Jiyun [3944 4764 0061]]

[Text] Our country's economic management system is undergoing a profound reform. The CPC Central Committee and the State Council have already decided that the method of substituting taxes for profits be universally implemented in our state-owned industry, communications and commercial enterprises. This is a major reform in our country's economic management system as well as an effective measure for correct handling of the relations of distribution between the state and the enterprises, guaranteeing the financial revenue of the state, promoting the enterprises to establish and perfect their economic responsibility system and giving full play to the initiative of our enterprises. It will inevitably rouse the concern and attention of people in all circles.

I

By substituting taxes for profits or paying taxes in lieu of profits, we are making a switch from the previous method of state-run enterprises delivering their profits to the state to the method of the state levying prescribed taxes at a prescribed rate. This is not just a change in the form of payment. The greater significance lies in its being a major reform in the relations of distribution between the state and the enterprises and the central and local finances.

In the past, the state-run enterprises in our country always adopted profits delivery as the main form of handing over their surplus products to the state. This means that after deducting from their total products for the society the consumption of material labor and the remuneration for their staff and workers, the enterprises deliver to the state their surplus products--their net income--mainly in the form of profits delivery, except for a certain amount of industrial and commercial taxes that they are enforced to pay according to the law. Any funds an enterprise needed, whether for simple or expanded reproduction, had to be allocated level by level by applying to the upper-level responsible departments, which would report the application to the planning and financial departments at various

levels for approval. Once approved, the allocation would be included in the plans (budgets). This method is generally called the method of "centralizing all revenue and expenditures." Under this system, our enterprises lacked the necessary decisionmaking power for their management and had their arms tied. At the same time, they did not undertake any economic responsibility or risks in their management and lacked the inherent incentive for developing production and improving administration and management. As a result, this system has held back the enterprises' initiative and hindered the development of the productive force.

Since 1979, under the guiding spirit of the 3d Plenary Session of the 11th CPC Central Committee, we have started to carry out experiments in reform of our economic management system in all areas of our country's economy. This reform has made relatively smooth progress in agriculture and great achievements have been scored. This has not only won the enthusiastic support of the people of all nationalities, especially the peasants, throughout our country, but has also attracted the attention of countries all over the world. In our state-run industrial and commercial enterprises, the pilot projects of reform first began with the expansion of the decision-making power in our enterprises. The nucleus of the expansion of the decisionmaking power in our enterprises is the satisfactory distribution of the interests between the state and the enterprises and the enterprises and their staff and workers. In handling the relations of distribution between the state and the enterprise, various forms of profit retention have been implemented in more than 80 percent of our enterprises. These forms include the allocation of a fixed amount of retained profit for fulfillment of a profit quota and a percentage of the increase in profit; the contract for the all-round responsibility for a fixed percentage of increase in profit or for a fixed amount of profit; the allocation of a fixed percentage of total profits or of a fixed percentage of the amount of losses below the quota of losses and so on. Whatever the form, in essence, a part of the surplus products created by the laborers in the enterprises are directly retained by the enterprises for their disposal and thus the decisionmaking power in our enterprises is expanded. Compared with the previous practice of "centralizing all income and expenditures" and "eating out of the same big pot," this method is undoubtedly more advanced.

However, practice has proved that this method is not free from defects. 1) Because of the objective existence of many complicated conditions and changing factors and the thousands of differences between our enterprises, it is very difficult to fix a rational basic amount of and a rational percentage of retained profits. 2) This basic amount and percentage will remain unchanged for years once they are fixed. This will fail to adapt to the continuously changing and developing economic situation. As a result, the malpractice has occurred such as assigning all-round responsibility for an impractical amount or percentage of profit, assigning all-round responsibility for profit only without any terms on possible losses in the contracts and applying for a readjustment of the profits quota assigned on the basis of various reasons after a reduction in income. Therefore, the objective reality determines that this method can only be a temporary and transitional one. If we continue to use this method for a long time in

handling the relations of distribution between the state and the enterprises, not only will there be no guarantee for the state revenue but our enterprises will also find it difficult to have a clear idea of their tasks or to formulate any long-term plan. In view of the requirements for bringing about a radical change in the relations of distribution between the state and enterprises and establishing and perfecting the economic responsibility system in our enterprises, the system of profits retention is not an ideal method.

The implementation of the substitution of taxes for profit delivery fixes the relations of distribution between the state and the enterprises in the form of legislation. On the one hand, our enterprises are assigned clear, legally prescribed, responsibilities and duties to the state and thus there are legal guarantees for state revenue; and on the other hand, the enterprises themselves have their sources of income prescribed by law. That is why we say that the method of substituting taxes for profit delivery in our state-run enterprises is much more advantageous than other methods. From a long-term viewpoint, all the current methods of improvement in handling the relations of distribution between the state and the enterprises will finally be gradually assimilated in the taxation method.

## II

What are the actual advantages in the implementation of the substitution of taxes for profit delivery?

1. It facilitates the establishment and perfection of the economic responsibility system in our enterprises and enables our enterprises to really become relatively independent economic entities. At the same time, it also facilitates the correct handling of the relations between the state and the enterprises and enables a close combination of their responsibility, power and interests under the prerequisite of ensuring the steady increase in the financial revenue of the state. As tax and tax rates become law as soon as they are approved by the state, no one will be able to change them at will. As a result, this method of profit distribution is much stricter and more stable. Economically, the enterprises only have the obligation to pay taxes to the state according to the law and can dispose of their after-tax profits as they please. Thus we can not only ensure a stable source for and a steady increase in the financial revenue of the state, but can also overcome our enterprises' dependence on the state. This will contribute to the gradual transformation of our enterprises into the relatively independent economic entities that really enjoy their decisionmaking power. If our enterprises want to develop and to continuously improve the material and cultural livelihood of their staff and workers, they should no longer look upward, wait and beg for allocation from the upper level or try to find a way to reduce the profit quota and increase the percentage of retained profit as they did in the past. On the contrary, they must turn their eyes downward and make great efforts to continuously carry out technical renovation, tap their internal potential, improve their administration and management and raise their economic results. This will compel our enterprises to strengthen the various kinds of economic responsibility

systems inside them, conscientiously do a good job in all basic work, award the diligent, punish the lazy and really implement the principle of distribution according to labor. Therefore, the implementation of the system of substituting taxes for profit delivery will certainly vigorously promote the development and perfection of the economic responsibility system within our enterprises and enable the quality of management to be more closely linked with the interests of the large number of staff and workers.

2. It facilitates the gradual elimination of the unnecessary administrative interference that the responsible departments and localities impose on our enterprises for their own interests. As a result, our enterprises will really be able to organize the production and circulation of their products in accordance with the requirement of the development of socialized mass production. According to our country's current economic management system, the large and small enterprises in all trades are directly under the jurisdiction of the respective governments and their responsible departments at various levels and the profits earned by the enterprises will be handed over to the finance departments at various levels according to the subordinate relations of these enterprises. Therefore, the problem of to which department or government an enterprise is subordinate often becomes the focus of disputes between departments and areas. In name, our enterprises are owned by "all people," but in fact, they are invisibly owned by departments or areas. This cannot help but to a great extent hinder the enterprises in organizing production and circulation according to economic principles and also create obstacles to the horizontal combining between enterprises and to the reorganizations of enterprises according to their professional lines. These disadvantages became increasingly clear after the implementation of the financial system of "eating from separate kitchens." At the same time, the various levels of departments and governments tried every possible means, in light of their own economic interests, to establish new enterprises that are profitable in view of their local interests and develop some products in their interests merely for their own departments without taking into account the questions of whether these enterprises and products are needed by the whole country, whether there are enough energy and transport facilities for these enterprises and production and whether there will be harmony between the production supply of materials and demand for the products. This constitutes a major economic source for the malpractice of blind production and duplicated construction. After the implementation of the substitution of taxes for profits, all types of enterprises at all levels will pay taxes to the central and local finance offices, no matter which departments they are subordinate to. They will perform the same obligations, make the same contributions, share interests and burdens and have equal duties. As a result the departments and areas will no longer be able to scramble for jurisdiction over any enterprises and our enterprises will be gradually freed from the fetters of departments and areas. This will not only contribute to the solution to the longstanding contradiction in economic interests caused by the division of departments and areas in our economic management system but also facilitate the overcoming of the malpractice of blind and duplicated construction.

Of course, in order to thoroughly free our enterprises from the fetters of departments and areas, we should not rely merely on a single measure of substituting taxes for profits. This is because the key to freeing our enterprises from the fetters of departments and areas lies in the question of how our party and government exercise their leadership over and manage our enterprises. This requires us to carry out a comprehensive reform of our whole management system (including the economic and administrative systems). For example, the central authorities have already decided to gradually establish economic zones of various scales and types based on the cities in the zones and let the key cities in the zones manage enterprises and to carry out reform in the systems of leadership in our cities and prefectures and put counties under the leadership of cities in areas where conditions are ripe. All these reforms will create favorable conditions for solving the problem of the separation between departments and areas.

3. It facilitates improving and perfecting the multilevel financial management system that divides revenue between central and local finance offices. On the basis of the all-round implementation of substituting taxes for profits in our enterprises, we will be able to switch the previous multilevel financial system that distributes profits according to our enterprises' subordinate relations into the multilevel financial system that distributes revenue according to the classification of taxes and the tax rates. As a principle governing the classification of taxes, we should first consider the needs of the state in its macroeconomic policy decisions and readjustment. For example, those taxes that are vital to the state plans and the people's livelihood and have a great impact that affects the production of major products and the fundamental livelihood of the people and constitute the major source of tax revenue for state finance, must be controlled by the central authorities. At the same time, we should also take into account the requirements of local expenditures and the interests of all circles in order to ensure that both the central and local finance offices have relatively stable sources of revenue and thus gradually put an end to the situation of constant disputes for the distribution and allocation of financial revenue and expenditures.

Naturally, like all reform measures, the method of substituting taxes for profits cannot be free from defects. This is particularly true when this system is initially implemented. Because we lack the experience, because our methods are not yet perfect and because we are not yet familiar with this system, various problems will certainly crop up. Therefore, we must grope our way through practice and gradually improve this system.

### III

For the implementation of the substitution of tax for profits in our state-run enterprises, some comrades have put forward some problems from a different point of view and others have some groundless worries. In order to guarantee the smooth implementation of the substitution of taxes for profits it is necessary to further unify our understanding on some major problems.

Will the implementation of the substitution of taxes for profits in our state-run enterprises change the nature of their public ownership? Tax and profit are two different concepts. In collecting taxes, the state uses its political power to take part in the distribution of the income of our enterprises, but in sharing profits, the state takes part in the distribution of the income of the enterprises as an investor. Does a switch from profit delivery to tax collection mean that the state gives up its position as an investor? In fact, no matter whether it is called profit delivery or tax payment, it is a form of the surplus products that the staff and workers of our enterprises provide for society. From this point of view, there is no essential difference between the two concepts. The problem of whether the state collects for the needs of the society, and the surplus products supplied for society by enterprises in the form of profits or tax collection is completely a question of methods. It has nothing to do with the nature of our enterprises' ownership. After the implementation of the substitution of taxes for profits in our state-run enterprises, the means of production there still belong to the state, and the enterprises have no power to dispose of the means of production as they please. The production plans and the distribution of major products is still directly or indirectly arranged by the state through its plans. The major leading cadres of our enterprises are still to be appointed or approved by the state. Though the enterprises have the right to use their own funds to increase their fixed assets, the title of these assets belongs to the state. In all these aspects, all enterprises should represent the interests of the state in the context of being the embodiment of public ownership. This determines that the substitution of taxes for profits will not bring about an essential change in the nature of our state-run enterprises' ownership.

Will the substitution of taxes for profits disperse our financial resources and be detrimental to the construction of the state's major projects? We must pay attention to this problem. One of the important principles for us in the implementation of the substitution of taxes for profits is to correctly handle the relations between the interests of the state, the enterprise and the staff and workers in order to really carry out the principle of giving the biggest slice to the state, the medium-size slice to the enterprise and the smallest slice to the staff and workers and to ensure the steady increase in state financial revenue. Only by so doing can we guarantee the smooth progress of the construction of the state's major projects and realize our fighting goal by the end of this century. Therefore, in deciding the classification of taxes and tax rates, we must act according to the above-mentioned principles and act prudently and rationally in order to make them feasible. First, we must ensure that the state gets the biggest slice, but at the same time, we should not be too tight-fisted toward our enterprises by collecting all their profits. We should allow our enterprises a rational share of interest. In formulating taxation law, we should particularly make the law facilitate encouraging enterprises to make efforts to increase production, practice thrift, improve techniques and technology, raise economic results and tap their internal potential and giving full play to the enterprises' initiative in improving their administration and management. This is one aspect of the problem. On the other

hand, taxation is backed by legislation and is compulsive in nature. If only our enterprises develop their production, raise their economic results and increase their income, the financial revenue of the state will certainly grow relatively quickly in a corresponding manner. Since 1979, we have carried out pilot projects of substituting taxes for profits in 456 enterprises. Generally speaking, the economic results have been satisfactory. According to statistics, compared with 1980, in 1981, the total output value in these enterprises increased by 2.5 percent, their total sales increased by 8.9 percent, their realized profits rose by 18 percent and the taxes and fees that they paid to the state increased by 13.6 percent. The percentage of increase in sales markedly exceeded that of the increase in total output value. Particularly, the percentage of increase in realized profit and tax and fee payments was much bigger than that of the increase in the total output value and sales. Compared with the average rate of increase of all the state-run industrial enterprises in our country over the same period, they are higher by respectively, 0.21 percent, 6.25 percent, 18.98 percent and 22.1 percent. In 1981, the taxes and fees collected by the state constituted 76.8 percent of the realized profit of these pilot project enterprises and the enterprises retained 23.2 percent of their profit. The state got 60.1 percent of the increased amount of profit and the enterprises got 39.9 percent. This embodied in distribution the principle of giving the biggest slice to the state, the medium-size slice to the enterprise and the smallest slice to the individual.

Will the progressive annual increase in the funds of our enterprises after the implementation of substituting taxes for profits contribute to blind production and duplicate construction? Over the past few years, the malpractice of blind production and duplicate construction has indeed existed in some localities and enterprises and has been particularly serious in some cases. However, we should make an objective and all-round analysis of this situation and should not simply put the blame on the increase in the funds in hand that localities and enterprises acquired after the structural reform. We should regard the increase in the funds at the disposal of the localities and enterprises as a good thing, because this constitutes an important condition for enlivening the economy. Naturally, the increase in funds makes it possible for enterprises to conduct blind production and duplicate construction, but it does not necessarily have a connection to these malpractices. The most fundamental way to prevent blind production and duplicated construction is to study the problems of how we are to match under the new situation, our planning work with the work of managing the whole economy, how we are to strengthen our management through planning and our work of striking a comprehensive equilibrium in order to strengthen, by macroeconomic measures, our guidance and control over the way in which the localities and enterprises employ their own funds, and particularly, the problem of how we are to give full play to the role of all economic levers on the basis of satisfactorily providing economic information and market forecasts in order to promptly and sensitively determine, in response to any change, what we should encourage and what we should restrict in a certain period, and thus guide the localities and enterprises and make them use their money to satisfy the most urgent demand resulting from the state's construction and the people's livelihood. For example,

according to the decision of the State Council, this year we have already adopted the measure of levying a 30 percent investment charge on the capital construction projects not included in the state plan to fund the construction of major projects in energy and communications. This is an effective measure. In the future, along with the further enlivening of our microeconomies, we should make increasingly more application of the economic levers such as taxation, credit and prices and strengthen and improve our management through planning. This is also one of the major problems that we must solve in our economic structural reform.

In what ways is the implementation of the substitution of taxes for profits related to the all-round management responsibility system which is being implemented at present? The two relate to and differ from one another. The all-round management responsibility system is a form of the economic responsibility system geared to our enterprises. We call it an all-round management responsibility system for the following two reasons: 1) The enterprise undertakes all-round responsibility for the state and 2) all departments and personnel in the enterprises undertake all-round responsibility for the enterprises. Under the current situation of charging enterprises both tax payment and profit delivery, the enterprises undertake all-round responsibility for a certain amount of profit after paying the various kinds of prescribed taxes. This is the main content of the all-round responsibility that our enterprises must undertake for the state. As for the all-round responsibility undertaken by the departments and personnel inside the enterprises, it is related to various economic indexes, of which the profit level only constitutes a major one. On the other hand, our implementation of the substitution of taxes for profits is meant mainly to solve the problem related to the relations of distribution between the state and the enterprises. After the concrete measures for the substitution of taxes for profits are approved and implemented, on principle, all enterprises where the all-round management responsibility system is implemented, except for a very small number of them which are conducting pilot projects or other measures with approval of the state, must first pay, in accordance with the regulations, various kinds of taxes and then be responsible for their after-tax profits and other economic targets. The implementation of the substitution of taxes for profits cannot completely replace the all-round management responsibility system geared to enterprises nor can it be confused with the implementation of the economic responsibility system in the enterprises.

#### IV

Since 1979, in the course of expanding the decisionmaking power of our enterprises, we have allowed our enterprises to retain a part of their realized profits to be used in developing production, new products and technical renovation and paying for the collective welfare and bonuses for their staff and workers. After the implementation of the substitution of taxes for profits, the enterprises' retained profits will remain unchanged, and therefore, it will not affect the rational interests that the enterprises have already obtained according to current regulations. However, because of our country's current economic management system and the current

irrational price system, it is difficult for us to entirely solve in a short time the problem related to the great disparity in the profit levels enjoyed and burdens suffered by different enterprises. Therefore the implementation of the substitution of taxes for profit delivery in our large and medium-size state-run enterprises should be carried out in two stages. The first stage is to increase the percentage of tax payment and reduce the percentage of profit delivery. This means both tax payment and profit delivery are levied on them and a certain percentage of income tax is levied on their realized profits. According to our estimates, if a 55 percent income tax is imposed on our enterprises and a percentage of their profit is to be deducted from their after-tax profits, for some of our enterprises there will basically be no surplus profits left. In these enterprises, we can implement the system of assigning responsibility for after-tax profit and loss. In those enterprises which earn a high level of profits and have relatively high surplus profits after the deduction of income tax and profits, we can implement, in light of their different conditions, the various forms of all-round responsibility for after-tax profit targets or adopt the measures of imposing a certain percentage of readjustment tax on them. There are still other enterprises which will have negative profit balances after the deduction of income tax or will have their after-tax profits below the previous amounts of prescribed retained profit. For these enterprises, we should reduce the rates of income tax for a certain period of time subject to the approval of relevant departments. In those enterprises which suffer losses imposed by our policy, we should continue to adopt the measure of implementing the system of all-round responsibility for targets of losses and of giving proportionate subsidies for reduction of losses for a certain period of time. In small enterprises, we can adopt similar measures to those adopted in collective enterprises, namely, "the enterprises pay taxes and certain charges on their fixed assets to the state and are solely responsible for their own profits and losses." After undergoing this stage of reform for a time, our economic structural reform will be coordinated into an integrated set and our price system will be rationalized. On this basis, we will carry out the second stage of reform, namely, the transformation from the system of charging both tax payment and profit delivery into that of concentrating funds entirely through tax collection. At the same time, the current multilevel financial system of distributing revenue according to the subordinate relations of the enterprises will gradually be transformed into the multilevel financial system of distributing revenue among various levels of finance offices according to the classification of taxes.

The implementation of the substitution of taxes for profits involves the distribution of interests among the state, the enterprise and the staff and workers and is therefore a very complicated task. It strongly reflects our policies. Over the past few years, we have carried out pilot projects in hundreds of enterprises and have thus accumulated some initial experiences. However, when it is popularized throughout the country, many new problems will certainly crop up. Therefore, we must adopt a conscientious and prudent attitude and act according to the principle of carrying out this reform step by step in an all-round, systematic, resolute and orderly manner, always obeying the instructions of the leadership. First we should

speed up the progress of the reform and should not adopt a wait-and-see attitude; second, we should proceed from reality, give different guidance in light of different conditions and refrain from seeking uniformity; and third, we should promptly sum up our experiences through carrying out pilot projects on reform and popularize this reform gradually by stages and in groups. During the process of popularization, we should continuously study new situations, solve new problems and strive to enable this reform to develop smoothly along a healthy orbit and achieve satisfactory results.

CSO: 4004/29

SAFEGUARD INTERESTS OF CONSUMERS AND ENSURE HEALTHY DEVELOPMENT OF COMMERCIAL REFORM

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 29-30

[Article by Jing Ping [2529 1627]]

[Text] Commerce represents the link between production and consumption. Positive and negative work in commerce directly affects industrial and agricultural production as well as the people's livelihood. In the past, under the guidance of "leftist" thinking, commerce aimed at a single style of economy, elevating the collective for all the people and regarding individual commerce as "an appendage of capitalism" which should be removed. The result of this was that economic styles in areas such as circulation as well as method of administration were all carried out very monotonously and inflexibly so that channels of circulation became blocked and those working in commerce found their initiative and enthusiasm hampered which thus affected production and the people's livelihood. After the 3d Plenary Session of the 11th CPC Central Committee the guiding principle of injecting life into the domestic economy resulted in areas throughout China restoring and developing collective and individual businesses. In addition, state-run businesses and enterprises began to implement many different kinds of systems of administration responsibility which took contracts as their central theme. All of this had extremely positive effects on promoting production, enlivening the market, making things more convenient of the masses and widening social employment. However, during this restructuring, several problems emerged. In the recent past in some places, especially large and medium-sized towns and cities, there have been cases of small retailers or peddlers, without permits, illegally setting up stalls and doing business without permission. Some of them try to deceive, short-change and give short weight to their customers. Others rush to buy up products from state-run wholesale or retail outlets, illegally buying up commodities in short supply and then selling them at very high prices. After the implementation of the administration contract system in state-run businesses and enterprises, some work units displayed very unfavorable tendencies of striving for profit and volume, thus damaging the interests of the consumers. Such behavior drew sharp expressions of dissatisfaction from consumers, thereby damaging the reputation of commercial restructuring work, and effecting a destructive attack on the socialist unified market and thus it demands our very serious attention.

It should be made very clear that the aim of commercial restructuring is to change such medium- and long-term ills in the system of commerce as rigid management, eating from "the same big pot" and shortcomings in service quality, so that greater rein may be given to the role of commerce in promoting production, guiding production, ensuring supply and enriching the economy, thus in the final analysis the aim is to enrich the nation and guarantee the people's interests. Socialist business or commerce, like anything else, is totally committed to serving the people with its aim being constantly to satisfy the increasing material and cultural demands of the people. If restructuring in commerce is done well then there will be even more buying and selling of cheap and good consumer goods, a provision of even more, better service so that the large majority of consumers may feel liberated from the past and go all out to construct for the four modernizations, which will thus be of benefit to the prosperity of the nation and the enriching of the people. Of course as profits increase, so too may the wages of those working in commerce. Actions which depend on damaging the consumer's interests in order to gain extra income are totally incompatible with the nature of socialist commerce and with socialist commercial ethics. Thus, during commercial restructuring, not only must we correctly handle the relations between the state, the enterprise and the workers, we must also ensure that relations with the consumers are also good. As far as relations with the state are concerned, we must primarily ensure that the state's revenue is increased considerably with the aim of putting the state in the frontline, the enterprise in second position and the worker in third position. As far as relations with the consumers are concerned, we must without fail uphold the principle that socialist commerce and business serves the people and thus guarantee the consumers' interests. We must implement strict price policies and we should not raise prices at will or in any covert way. We must uphold fairness in buying and selling, selling goods at their real price and we should not resort to deception. On the basis of the consumers' demands we should establish spheres of management and expand product varieties, and on no account must we allow varieties to drop in number or service quality to fall. State-run businesses and enterprises in particular should aim to ensure a stable market and workers should be guided in taking note of market information, seeking products that are marketable and expanding product class. Improvement in administration and management, a reduction in circulation links, reductions in storage accumulation, drops in circulation costs and improvements in service quality are all ways of improving economic results, increasing revenue for the enterprise and the workers and ensuring that no erroneous roads are taken, and that all ideas are evolved in relation to the consumers. Damaging the interests of the consumer is a kind of behavior that benefits oneself at the expense of others and in no way can it create new wealth for society and the fruits of such behavior not only deviates from the principle of the state coming first, the enterprise second and the worker third, but it also deviates from the fundamental principles of socialism.

Commerce is not like other areas of production such as industry or agriculture, for it touches on both production and consumption. In addition, its management situation is very complex, and is especially closely linked to the daily lives of hundreds and thousands of households. Thus, it is

important to strengthen leadership and management in commercial restructuring. All levels of leadership in commerce and business must without fail become more involved in reality, listening to the people's voices, carrying out careful investigations and studies and promptly and effectively solving problems which arise. Ways of thinking which believe that everything will be just fine with one sweep of the hand will in fact do damage. When setting up the many styles of management responsibility system, careful note of the suitability of the industry, the region and the business should be taken. As far as the contents of the contracts are concerned they should all embody an integration of duties, rights and interests, with duties representing the mainstay. Not only should there be all-round economic assessment targets but in addition everyone should bear the responsibility of respecting policies and laws, social regulations, financial discipline and the protection of the consumers' interests. All of these should be clearly stated within a contract.

In line with the above-outlined steps in restructuring, commercial administration, the tax department and the public security department should all strengthen management and administration of the market, providing protection for commercial management activities and the legal rights and interests of all, banning all illegal commercial activities and dealing with the small number of criminal elements and opportunistic destroyers of restructuring according to the law so that we may work toward "management without stagnation and invigoration without chaos."

The consumers are all witnesses to the positive or negative restructuring of commerce and whether it be a state-run enterprise, a collectively run enterprise or an individually run enterprise the masses can tell exactly which is good and which is not. Every commercial enterprise and every individual business should consciously accept surveillance by the consumers. Facts have proved that the use of an opinion book, the implementation of public appraisal in selecting outstanding workers etc. as well as the setting up of consumer forums, by means of which the opinions and criticisms of the consumers may be heard are all important measures in successfully carrying out commercial restructuring.

During the process of commercial restructuring, there must without fail be an improvement in ideological and political work. It must be directed at every problem or question relating to ideology or understanding that emerges from restructuring. Ideological and political work must constantly and repeatedly educate workers to establish an all-round overview, placing the interests of the state first and correctly handling the relations between the state, the enterprise, the worker and the consumer, uniting the fruits of the economy with the fruits of society. While establishing and perfecting the system of management and administrative responsibility in commercial enterprises and strengthening market administration and surveillance by the masses, we must also get fully to grips with the workers' ideological and political work, so that the workers' material interests are ensured as well as their healthy development in terms of politics and ideology and in this way guarantee that commercial restructuring may follow a healthy developmental path.

## IMPACT OF CURRENT GLOBAL ECONOMIC CRISIS ON INTERNATIONAL RELATIONS

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 31-34

[Article by Li Dai [2621 1486]]

[Text] In recent years, all types of countries in the world have been thrown into difficulties by the severe economic crisis or economic recession. Western countries are experiencing an economic crisis which is the longest and most all-embracing since World War II. The Soviet Union and some countries in Eastern Europe are also suffering unprecedented economic stagnation. Heavily pounded by the economic crisis in the West, the Third World countries are in a more difficult situation. Such an economic situation has intensified international contradictions and conflicts, exercising great influence on the international relations.

### I

Based mainly on their economic and military strength, the two superpowers are fighting for global hegemony.

President Reagan, since taking office, has been determined to restore U.S. military superiority over the Soviet Union by enhancing its economic superiority and adopting a tough strategy in order to recover U.S. hegemony. This was the main purpose of Reagan's proposed plan for economic revival. However, the U.S. economic crisis has not been overcome but aggravated over the past 2 years. In 1982, the economic growth rate dropped to a negative figure, and the financial deficit has increased by 100 percent, breaking historical records. The number of enterprises closed down has increased by 50 percent and the unemployment rate has risen to 10.8 percent. In his budget report recently introduced to Congress, Reagan also said that the U.S. economy "is at its worst in the last 50 years." The Reagan administration, in an attempt to greatly cut public welfare expenditure and to ensure a huge increase in military expenditure, has met with strong opposition from the broad section of masses and evoked heated arguments in the inner ruling clique. As a result, it has been forced to cut back certain amount of national defense expenditure which the Reagan administration previously refused to do. The expenditure for the 1983 defense plan was cut by \$7.6 billion and that for 1984 is to be reduced by \$11.3 billion. Reagan recently said that the U.S. defense expenditure should save \$55 billion in

the next 5 years. The Reagan administration admitted that "it will probably be impossible for us to achieve our aim during the 5-year plan" owing to various reasons. Evidently, the United States has been experiencing difficulties in carrying out their plan to restore hegemony because of the economic crisis arising in the country. This will inevitably affect the implementation of its tough strategy against the Soviet Union.

In the past 2 years, the offensive strategy of the Soviet Union has been affected by many factors and the economic factor has been the important one. In the 1980's, the Soviet Union has had a bad harvest in 4 successive years and the rate of economic growth has dropped remarkably. According to statistics by the Soviet Union, the annual growth rate of the Soviet Union's national revenue dropped to 3.2 percent and 2.6 percent in 1981 and 1982 respectively. In statements made on 22 November last year, Soviet leaders openly admitted that there were many difficulties and shortcomings in the Soviet economy. The Soviet Union has shouldered a heavy economic burden because of its foreign expansion. According to Western statistics, the expenditure which the Soviet Union used for its foreign expansion exceeded \$10 billion per year. It is more difficult than before for the Soviet Union to narrow its economic gap with the United States. The Soviet Union has been held up in its attempt to win military superiority due to the economic situation. It is relatively difficult for the Soviet Union to maintain its military expenditure growth from 4 to 5 percent per year because the growth rate of the national revenue has only increased from 2 to 3 percent.

Will the economic difficulty of the United States and the Soviet Union alleviate the tension of the two countries in their scramble for world domination? The facts are just the opposite. They both regard the economic difficulties which the other is experiencing as a good opportunity to improve their own situation in scrambling for world domination. They are striving to make full use of it in order to cripple and squeeze their opponent out.

The United States considers its economic strength is more powerful than that of the Soviet Union because the latter is experiencing more economic difficulty than the former. The United States is doing its utmost to restrain the Soviet Union from obtaining more economic benefits from the Western economic crisis, and is constantly bringing pressure to bear on the Soviet Union by making use of Western economic superiority. In September last year, the Soviet Union was classified as a relatively rich nation by the Organization for Economic Cooperation and Development. The average interest rate for loans to the Soviet Union increased from 8.5 percent in 1981 to 12 percent in 1982. The total loan amount offered by the Western countries to the Soviet Union has been reduced and the term of payment has been shortened. The United States and its Western allies have reached an agreement which bans low interest loans and advanced technology to the Soviet Union. Taking the advantage of the Western economic crisis and the dissatisfaction Western Europe shows against the U.S. policy of shifting its troubles onto others, the Soviet Union has vigorously strengthened its economic cooperation with Western Europe to disintegrate the Western alliance by offering all kinds of attractive conditions.

The United States is attempting to put the Soviet Union to rout in the arms race. It considers that in really engaging in the arms race, the Soviet Union is not necessarily its match. Therefore, the United States continues to maintain its big military spending despite its financial difficulties. Although the present military spending has been reduced to a certain extent, its growth rate is still high. Since 1981, the United States has put an end to a backward state of actual military spending in the 1970's, and surpassed that of the Soviet Union. The U.S. 1983 fiscal year military budget was \$208.7 billion and the 1984 fiscal year military budget is expected to be \$377 billion. Facing the challenge of the U.S. arms expansion, the Soviet Union does not give the impression of weakness. The Soviet leaders have stressed the need to constantly strengthen its military strength in order to prevent the United States from winning military superiority. Both parties are escalating their arms production.

The global economic crisis is both intensifying the confrontation between the United States and the Soviet Union and forcing them to hold a dialogue. The Reagan administration is stepping up its contention with the Soviet Union in an attempt to seek a way out of its economic difficulties from the situation of international tension. However, during the present global economic crisis, all types of contradictions have been sharpening and international relations have become more complicated. The United States dare not intensify the international situation to an extreme degree for it cannot be sure of having the situation under control. The Soviet Union is determined to gain military superiority, but is affected by its limited strength. Thereby it is launching peace offensives one after another in an attempt to force the United States to slow down its arms expansion. The United States and the Soviet Union have been holding a series of dialogues over the past 2 years. The two parties have tried to plead their respective cases at the arms control talks, and both stressed that more talks were needed. While engaging in disarmament talks, the United States and the Soviet Union on the one hand attempted to cover up their arms expansion, and on the other, attempted to reach an agreement acceptable to both sides in order to prevent the other party from winning supremacy, and at the same time make the burden of their own military spending correspond to their economic capabilities. The talks faced multiple difficulties because each side tried to force their opponent to make more concessions. The prospect for reaching a prompt agreement on important issues is dim.

To sum up, certain changes have taken place in the contention for world domination between the United States and the Soviet Union because of the economic difficulties they are facing. Although the United States launched certain offensives in some area or on some issues, it suffered setbacks in its plan to restore hegemony due to economic crisis. The tough policy which the United States adopted over the Soviet Union was to make an empty show of strength rather than to take concrete actions. The United States still could not change its fundamental defensive position in an all-round way. The Soviet Union strove to gain military superiority and to retain its offensive position. However, it was forced to take defensive in a few areas because its ability was not equal to its ambition. The relations between the two superpowers were strained. Neither party was willing to budge from its original position.

## II

The global economic crisis has intensified the inner contradictions of the two opposing military blocs separately headed by the United States and the Soviet Union.

The Western economic and political system and military alliance headed by the United States was established under circumstances in which U.S. strength occupied a dominant position. The economic power in Western Europe and in Japan has been strengthened and the U.S. economic power weakened over the past 30 years. The political and economic situations in West European countries have been gradually developing in three ways. Their actual strengths are nearly approaching the same level. Their competition has been intensified and their contradictions have been sharpening. The Western allies have suffered another setback in the present economic crisis. Both Western Europe and Japan found that the benefits they gained in the alliance were far inferior to before. They refused to be dominated and restrained by the United States day by day. Economically, the revival in these countries has been severely affected by the high interest rate policy adopted by the United States. They were strongly dissatisfied with the United States who tried to force them to make concessions in foreign trade. People in Western Europe and in Japan strongly opposed the U.S. Government who constantly urged them to increase their military expenditures. Western Europe and Japan persisted in developing economic relations with the Soviet Union and Eastern Europe and they did not agree with the view that the United States could defeat and force the Soviet Union to change its policy through economic sanctions and arms competition. Western Europe wanted to promote trade with the Soviet Union and Eastern Europe and to expand its export of commodities and import of raw materials in order to alleviate economic crisis and change the situation in which Western Europe depended excessively on the import of materials from the areas where the situation was unstable. Furthermore, Western Europe was of the opinion that the establishment of certain economic mutual dependent relations with the Soviet Union and Eastern Europe would serve to stop the Soviet Union resorting to force against Western Europe. Western Europe took a passive attitude toward the U.S. proposal for strict control on credit for the Soviet Union and for not providing the Soviet Union and Eastern Europe with the most advanced technology. In 1981, the volume of export trade of Western Europe to the Soviet Union was about 450 percent higher than that of the United States to the Soviet Union and the import volume of Western Europe from the Soviet Union was about 6,500 percent higher than that of the United States from the Soviet Union. The difference of such economic benefits has politically created an acute conflict. The acute dispute on the issue of the natural gas pipeline constituted one of the outstanding examples. The attempt of Western Europe to establish another center of power which is independent from the United States and the Soviet Union will inevitably conflict with the strategy of the United States to restore its hegemony.

At present, Japanese economic strength is second only to that of the United States. With the growth of economic strength, Japan will speed up its strategy by turning the "great economic nation" into a "great political

nation." It is not only carrying on a tenacious struggle against the United States and Western Europe on the issue of trade, it is also unwilling to sing the same tune as the United States on international issues. In the present global economic crisis, the situation of Japan is better than that of Western countries. Seizing the opportunity to expand its foreign market, Japan has said that it will take the lead in reviving the world economy and that it is ready to establish cooperation with Europe and the United States to revive the Western economic system. Japan is eager to become a great political nation. This practice will inevitably conflict with the strategy of the United States to restore its hegemony.

The world economic crisis has speeded up the national egoistic tendency and multipolar developments in Western countries. At the same time they urgently need to rely on each other and to tide over their difficulties. Many Western people hold that now is the time to readjust the relations between the Western allies. Henry Kissinger said in a recent article that to overcome the global economic crisis, the United States should take the lead in readjusting the economic policy of all countries and that it was impossible to cope with the present economic crisis only by relying on the free market. The government should play its important role.

The Soviet Union is finding itself in another tight corner in its relations with some East European nations because of economic difficulties. For the past 2 years, the Soviet Union has greatly raised the price of oil exported to East European countries and reduced the quantity of oil to be supplied to these countries at a subsidized price basis which it had formerly promised. The East European countries were compelled to import oil from the Western oil market with their extremely meager foreign exchange reserves. Furthermore, the Soviet Union has decreased its economic aid to East European nations. This has increased their economic difficulties and aroused evident dissatisfaction among these countries. At present the economic recession in some East European countries has become worse than that in the Soviet Union because they are affected by both the Soviet economic recession and the Western economic crisis.

Some East European countries have become more aware that one of the important factors affecting their economic development is the ill-effect of the Soviet-type economic system. They have also become aware that if they establish close economic relations with Western countries they will be easily influenced and infiltrated by the West. They are trying to blaze a new trail of economic development in line with their national conditions. In recent years, some East European countries have been conducting an important study in social economic reform on the one hand, and have been urging a reduction in their reliance on the Soviet Union on the other. The Soviet Union has to make certain concessions. To what extent could the Soviet Union tolerate this reform and the trend toward independence? This will be judged by Soviet actions.

### III

The United States and other Western countries shifted their economic crisis onto the many Third World nations so that they suffered heavy losses; and all kinds of countries were adversely influenced, and their economic situations deteriorated. Even the countries which had smoothly promoted their economic development in the past have been experiencing fresh difficulties. The average economic growth rate of the Third World countries dropped 0.6 percent in 1981. Prices of raw materials dropped to a level unknown before. The favorable balance of international payments has been turned into balance of payment deficit. The balance of payment deficit rose from \$41.2 billion in 1981 to \$74.2 billion in 1982. The debts of the Third World nations have increased because of the high interest rate policy practiced by the United States and the decrease in the amount of loans on liberal terms by international monetary organizations. By the end of 1982, the medium- and long-term debts owed by the Third World countries reached \$626 billion. Many countries are on the edge of bankruptcy.

The contradictions between the Third World nations and the Western countries, and the United States in particular, have been sharpening. The Third World nations resolutely appealed to Western countries to relax restrictions on their export commodities so that they could extricate themselves from the difficult situation in the balance of payments deficit and improve their economic conditions. However, Western countries and the United States in particular, refused to make any concessions and adopted all kinds of protectionist measures to strengthen their tariff policy. This caused heavy losses to the Third World nations and aroused a strong resentment among them. The United States stubbornly opposed the Third World nations who urgently called for an immediate reform of the international economic order. On the issue of global talks, the United States stuck to the right to have the final say in the international monetary organizations controlled by the Western countries. The United States refused to discuss reform in some specific fields and to make any concessions, and even cancelled economic aid it had promised and repudiated agreements it had approved. Such an unreasonable attitude on the part of the United States worsened the relations between North and South and made it more difficult to break the deadlock in the North-South dialogue.

The struggle for the Third World market by Western countries has become more acute. It is very difficult for the Western countries to expand their mutual trade because of the increasing shrinkage of domestic markets in these countries. They compete with each other for export of commodities, capital and technology to the Third World nations. Western Europe has been strengthening its economic and trade relations with African and Arab countries. Japan is vigorously promoting its economic cooperation with Asian and Pacific countries. Japan has now surpassed the United States in trade, capital export and economic aid to the ASEAN region. Western Europe and Japan are strengthening their economic relations with the Third World in the hope of extricating themselves from the present economic crisis. The attitude they adopt toward the North-South dialogue differs from the tough attitude the United States adopts. They consent to the dialogue between North and South

and adopt more enlightened attitude toward some concrete issues. They are ready to make certain concessions to the demand set forth by the Third World.

The Third World nations have carefully drawn their own lessons and have taken their strategic issue of economic development into full account following the sharp decline in the economic situation. Many countries realize that economically, they should not entirely depend on the West and that they cannot change the poor and backward situation unless they adopt measures to alleviate and limit the economic exploitation of the Western countries. Some countries also hold that it is impossible for them to extricate themselves from the economic difficulties by copying the pattern of the Soviet economic management system. Only by sticking to the policy of national self-salvation and self-reliance and to a path for development in line with their national conditions, can the Third World countries maintain the independence and prosperity of their national economies. Many countries have adjusted their economic policies and paid attention to their agricultural production as well as reformed their economic management systems. On the one hand, the ongoing deadlock in the North-South dialogue has forced the Third World countries to strengthen their unity and promote South-South cooperation. Marked progress has been made in the regional economic cooperation between the Third World nations since 1981. The "New Delhi conference" with the participation of 44 developing countries mainly discussed the issue of South-South cooperation in February 1982. It called for the developing countries to vigorously strengthen their cooperation. The "economic declaration" which was approved by the summit conference recently convened by the nonaligned countries, formulated a series of principles and measures aimed at promoting South-South cooperation, strengthening the collective self-reliance of the developing countries, freeing them from dependence upon the developed countries, improving current international relations and striving to realize economic independence on the basis of equality and mutual benefit. Although South-South cooperation is facing many difficulties and problems and will undergo a long and difficult process of development, its strength is developing. It conforms to the historical trend of the times. It has a profound strategic significance for breaking the old international economic order and for establishing a new international economic order.

To sum up, affected by the present global economic crisis, the contradictions between the United States and the Soviet Union, the contradictions between the United States and Europe and Japan, the contradictions between the Soviet Union and Eastern Europe as well as the contradictions between North and South are developing. These contradictions are complicated. They affect and condition each other. Prompted by these contradictions, a great number of the Third World nations are exploring possible paths leading to national self-salvation by means of self-reliance or collective self-reliance. This practice forms a historical trend. The complicated and unstable situation in international relations merits attention.

## DISCUSSING THE WUXU REFORM MOVEMENT 80 YEARS ON

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 35-37

[Article by Li Kan [2621 0170]]

[Text] In China in 1898 the Wuxu political reform took place, and today, a full 85 years have elapsed since that date. During those 85 years times have indeed changed and in China and throughout the world there have been enormous and far-reaching changes. It has certainly not been forgotten that the Wuxu political reform represented an important change in modern Chinese history. While historians may make captious comments about this movement for constitutional reform and modernization and discuss its successes and failures, with different criticisms of the successes and failures, the rights and wrongs and praise and blame for the two main instigators and leaders of the movement, Kang Youwei and Liang Qichao, no one can deny or wipe away the important historical effect of this movement, and the ideological and political influence that it had.

Throughout the seemingly endless history of China constitutional and political reform movements are many in number, and they appear on every page of history. Thus, when we discuss the social class aspect of political reform, it seems, unfortunately, that, apart from the Shangying political reform, no other movement has had such a penetrating effect as the Wuxu movement. The so-called "reforms" and "innovations" that took place throughout feudal society did display great complexities, contradictions and struggles, but in general terms such reforms and their counterreforms, such innovations and their counterinnovations did not display a fundamental opposition and conflict of class interests and were in fact mainly struggles to support or preserve different opinions or schools of thought within the feudal ruling class' policies and measures. So-called "reforms" and "innovations" in those days were intended merely to relax sharp class contradictions or readjust contradictions within the ruling class in order to solve political crises or economic difficulties confronting the rulers and thus did not have to and indeed could not touch the feudal system itself. Throughout the political history of Chinese feudal society, rulers who came to power would bring with them new aides and thus new policies, new governments would replace old ones, new laws took over from old laws but, right up until before the Opium War the ancient feudal political and economic systems remained essentially unchanged as did ancient feudal thinking and culture.

Although the Wuxu reform movement was extremely brief, it revealed a message like a thunderclap: China's feudal society as well as its system of autocratic monarchy had come to an end in historical terms and this presaged the arrival of a new revolutionary period in history.

The weapons of ideological theory which armed the Wuxu reform movement were certainly not those of Confucius, nor those of the Huanglao philosophy. Nor were they those of the Song Ming Confucian philosophy of idealism, or based on ancient texts. Rather they were sociopolitical doctrines hastily adapted from Western capitalist classes. There is good reason to call the Wuxu reform movement a movement of ideological emancipation or a movement of capitalist class enlightenment. However, if ideology and theory do not integrate with the needs of China's social life, politics and economics, they cannot effect "emancipation" and "enlightenment" out of the void. Marx and Engels wrote in the "Communist Manifesto": "The collapse of old ideologies moves in step with the collapse of old styles and conditions of living." Not only did the Wuxu reform movement herald the start of the collapse of Chinese feudal thinking, it also heralded the collapse of feudal society's styles and conditions of living. The constitutional and political reform movement was not the ideological and theoretical product of the minds of Kang Youwei, Liang Qichao, Yan Fu, Tan Sitong and others. In fact it was the opposite way round and their ideology and theories were products of both a socioeconomic basis and conditions of living at that time. Because late 19th century China did display a little of capitalist economics, the capitalist class which existed at that time, while weak, did also represent the new economic, political, and cultural strength. As a newly developed social force, it could not wait to grow and mature and thus it mounted the political stage. The Wuxu political and constitutional reform movement was thus its first, courageous and stirring act on the political stage after the appearance of a Chinese capitalist class. Tan Sitong, the most prominent and radical of those lofty activists in the reform movement, gave at the end of this tragedy a soliloquy entitled "Determined To Kill the Enemy, Powerless To Save the Situation." His words, drenched in blood and sweat, despair and wrath, announced the destruction of one generation's great and heroic plans to bring about reform and save the nation.

The failure of the Wuxu reform movement did not by any means mean the end of all changes. The course of history runs like the sea, with one wave higher than another, and every wave leaves behind the marks and characteristics of its epoch. Although some of the forerunners may be swallowed up by the waves and some may be left behind by history, the voices and footprints they left behind will never be eradicated.

These lofty fighters for reform such as Kang, Liang, Yan and Tan indeed proved themselves to be representatives of the progressive Chinese of that time and this first generation of young capitalist intellectuals took the rise and fall of their nation and the deliverance of the country and its people as their duty. They firmly believed in the necessity and correctness of their reform plans and their reform cause, believing that it was an inevitable trend of the times. Kang Youwei said: "Now is the time to

govern by means of new ideas, we should not adhere to old ways. The land should be governed by several states and not in an inactive fashion, but in a unified one. Old customs are deeply rooted but times today are different. Unless we eradicate old ways and set up a new system, there will be no way to wipe out old customs and bring about reform." ("Fourth Letter to Qing Emperor") He believed that the governing of the country and indeed the world should be seen as "growth of the new, deterioration of the old, a freshness of the new and rotting of the old." ("Sixth Letter to Qing Emperor") Liang Qichao said with even greater accuracy and candidness: "Law is recognized by all and reform is a universal which must be accepted. Today, things are running smoothly and conditions are improving everywhere from day to day. Change is becoming more and more imminent and nothing can stop this process. Things will change whether it is your will or not and thus it is wiser to take the initiative of carrying out such change if you desire the change. In this way you may save the country, save the race and save the doctrine. If you do not desire change, then the initiative will fall into the hands of others and you will find your own hands tied, and then no one can say what may happen to you." ("On the Disadvantages of Not Bringing About Reform") Not only did Kang and Liang utter such words, but also Yan Fu, Tan Sitong, Tang Caichang, Fan Zhui and others spoke often in similar tones. In general, then, they believed that everything pointed to the absolute necessity for political and constitutional reform.

With China's defeat in the Sino-Japanese War of 1894-5 and the signing of the Treaty of Shimonoseki, events developed suddenly and the frenzied ceding of territory and dividing up of the country which imperialism forced on China caused the progressive Chinese, especially the intellectuals, to awaken, and, seeing the urgency of rightful destruction of their country, they consciously threw themselves completely into efforts to save the nation from subjugation and ensure its survival. After nearly 3 years of ideological propaganda and organizational preparations the celebrated Wuxu reform movement took place. However, this patriotic movement to save the country and bring about political reforms was both hasty and short-lived, and it was only maintained for 103 days from 11 June when the reformists took to the political stage to have a hand in the new administration, until 21 September when the Cixi group staged their reactionary coup. In later years the movement was to be called the "100-day reform." In one sense this described the shortness of time for which the new administration ran and on the other hand it also expressed sympathy with the failure of this political reform movement.

As far as the direct outcome of the Wuxu reform movement is concerned, the capitalist class reformists were the losers in the struggle for power between the old and the new political system, but in terms of new and old ideology and culture, the reformists were pioneers and victors who stood up to all difficulties. Today when we examine many areas of recent Chinese cultural history, such as educational history, literary history, publications history and so on, most are traceable back to the time of Wuxu. That period was a period of enlightenment for recent Chinese historical capitalist thinking, it was a time when recent science and culture began to be publicized in China, causing Chinese ideology and culture to begin to free

itself from traditional feudal ideology and culture and thus it was a time of historic change. At the time of the Wuxu political reform movement the ideological and cultural influence of the Chinese capitalist class was far greater than its economic and political influence. The stubborn groups who remained loyal to the old feudal rule may have stamped out the reforms and the new administration of the movement and they may even have beheaded some of the leaders of the reform movement but they were unable to extinguish the ideological improvements and trends toward democratic revolution that the capitalist class had brought about.

If the Wuxu reform movement was an inevitable and welcome political reform and a just move to save the country, why then did it fail so quickly and so disastrously? Historians have already examined and explored this question a great deal and have come up with ideas such as that the capitalist reformists were politically weak and were dependent on an emperor with no real power, divorcing themselves from the masses; they cherished certain illusions about imperialism; the reactionary groups who staged the following coup were much stronger and so on. No doubt all these ideas are well-grounded, rational and convincing. However, as far as the historical conditions of that time and the reforms that the reformists implemented are concerned, I feel that there are two historical points that we can draw lessons from. .

1. Kang, Liang, Tan and others in the vanguard of the reform were all mainly young intellectuals and they felt that they could justly, forcefully and eloquently express the theory and plans of the reform movement, boldly criticizing and attacking the ills and corruption of the feudal system and traditional feudal thinking on the basis of a patriotic consciousness and very basic contact with some "Western learning." But they were constricted by historical conditions and they had not and indeed could not correctly understand Chinese society and the "state" of China. They thought of the reform movement too simply and thought it much easier than it was. They believed that as long as they gained the emperor's support and as long as central government and bureaucrats holding regional power, literati and officials understood the reasoning behind the reform movement, then the new administration could be implemented without any resistance and success would be theirs. In the "Preface to a Study of Japan's Meiji Restoration" that Kang Youwei presented to the emperor he said that "as long as the emperor takes things into his hands" and studies "the reform program" of the Japanese Meiji restoration, "then by assessing its advantages and its disadvantages eliminating the dross and making use of the cream, the laws and government of the Western world and the Japanese structure of rule will very quickly appear in China." He even went as far as saying: "If China learns from the situation in Japan, then within 3 years things will begin to crystallize and take shape, in 5 years, the superstructure and laws will have formed, in 8 years definite results will be seen and in 10 years China will be a strong and powerful nation." In actual fact it could never have been that easy for the reform movement to be implemented. How could a China, which was ruled and suppressed under imperialism and feudalism, permit these simple reformists to go ahead and reform the political system and develop capitalism? How could the feudal ruling class of that time yield so easily, submissively

giving up their kingdom to the likes of Kang, Liang and so on who had "departed from the classics and were rebelling against orthodoxy"? Thus, during the 100-day reform, while the "imperial edicts" that the emperor announced in line with the new administration flew about like a haze of snowflakes, most of them were nothing more than empty words. During that time, both inside and outside the imperial court, among both the government and the public, the theoretical principles of the reform movement were regarded, except by the reformists and a small number of "pro-emperor" enlightened bureaucrats, as hearsay and something to be blocked and wiped out, while other people simply did not understand it and thus rejected it. When Kang Youwei and the others felt that resistance was too great, they stopped advocating such ideas as the "establishment of a parliament" and the "formulation of a constitution," and the reactionary forces had already begun to rattle the saber.

The capitalist reformists during the time of the Wuxu movement lacked clear insight into Chinese society and the state of the nation, but they should not be blamed or belittled for this. It took the Chinese people around 80 years or a little more, beginning from the Opium War until the 4 May movement and the birth of the CPC before they gained a clear and accurate understanding and appreciation of Chinese society and the situation in China. It was also then that they were able to determine the nature of the Chinese revolution as well as its tasks, target, motive force and guiding revolutionary tactics and theories, on the basis of scientific understanding and knowledge of the nature of China's semifeudal and semicolonial society. Thus every reform or revolutionary movement before this time caused such understanding to develop a little further and grow in breadth. Later reforms and revolutions were both denials and continuations of former reforms and revolutions. The Wuxu political reform movement represents an important step and link in the historical developmental process of China's recent democratic revolutions. It left many valuable things for future generations and many penetrating lessons may be drawn from it and I think that this is the reason it has been regarded as so important and studied so much up until the present day.

2. For a major political reform movement the ideological and organizational preparations for the launching of the Wuxu movement were very incomplete. The newly born and still very weak Chinese capitalist class and its political representatives, the reformists, leapt into the fray very hastily at the critical moment in the national crisis. People may ask, had there not been a long period of ideological propaganda for reform, did China not at that time already have several tens of societies which emulated and took reformists as their models, were there not already some 30 publications dealing with reformism and were there not more than 1,300 successful candidates from the imperial examinations who signed the "public cart petition" in 1895? Despite all that is it still possible to say that they were not fully prepared? In actual fact, simply by examining the actual and concrete situation at that time, it is very easy to make a judgment on such a question as this. While the so-called propaganda for reformist ideology before the Sino-Japanese War of 1894 included works advocating reform and "Western learning" by Feng Guifen, Wang Tao, Xue Fucheng, Zheng Guanying and

others, circulation of such propaganda was not very great. The propaganda which was circulated on a fairly large scale was publications set up after that Sino-Japanese war, such as ZHONG WAI JIWEN, QIANG XUE BAO, SHI WU BAO, CJO WEN BAO, XIANG XUE BAO and XIANG BAO. As far as societies and institutes were concerned, while the Beijing Qiang Xue Hui had a definite attraction and appeal, it was dissolved not long afterwards. Apart from this there was only Hunan's Nan Xue Hui which played any important ideological and political role and the rest of such societies were either merely nominal or had been set up very hastily with little organization. The above-mentioned thousand or more signatures on the "public cart petition" were indeed a political petition on a relatively large scale and thus we may say that those signatories who had passed the imperial examinations were, in the majority, stirred by nationalistic, righteous indignation at the Qing Dynasty government and opposed the latter's surrendering of the country's sovereignty under humiliating terms, but on the whole they did not demand political and constitutional reform. We can see from the existing list of 603 signatories that apart from Kang Youwei and his followers Liang Qichao, Mai Menghua, Liang Chaojie and Yang Rui, none of the others appear to have played any part in the Wuxu reform movement that was to follow. For once the period of indignation and arousal had passed, these signatories were once again the same old "successful candidates in imperial examinations." We can say that most of them were by no means "political allies" Kang and Liang. But however we phrase it, the capitalist calls did step forward boldly and fearlessly to save the nation and renew the concept of reform under such historical conditions and such domestic and foreign circumstances that they have left us with a glorious, solemn and stirring page of recent Chinese history. The later degeneration and retrogression of some of those involved is another question for discussion.

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## TRUTH IN LIFE AND BRILLIANCE OF IDEALS

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 38-39

[Article by Ding Zhenhai [0002 2182 3189]]

[Text] The medium-length novels that have appeared since the second half of last year such as "The Garland Under the High Mountain," "The Night of the Swallow's Nest" and "The Pot, Bowl, Ladle and Basin Symphony" are all without doubt fine pieces of work which illustrate a fresh creativity. All of them share several extremely obvious characteristics, namely an integration of the truth of life and the glory of ideals.

There has been unanimous praise from every quarter for "The Garland Under the High Mountain" and it has made some breakthroughs in exposing some of the modern internal contradictions in people, in particular, such contradictions and problems within the army. With the courage of a real artist the author has truthfully depicted such things as Liang Shanxi's bill of debts, stained red with freshly shed blood, the unfair treatment that the martyr Jin Kailai continues to suffer even after his death, Xue Kaihua ("Jiangmen Huzi") and the rottenness which developed after his accidental death during the Cultural Revolution, Zhao Mengsheng's petty and low mentality in "Curved Transferral" and the purification he undergoes during his baptism of war, the flippancy of Wu Shuai in using the back door and the cunning of his trickery, the suffering in the lives of the working people and the enormous pain in losing a loved one. But if such descriptions cannot reveal and throw light on both a soldier, who while lowly, is concerned for his country, and his "patriotic mettle," and if it fails to expose and throw light on the lofty communist ethics of the common soldier and the common person then the novel has in no way reached the modern achievements and successes of the art. In "The Night of the Swallow's Nest," the ordinary and sometimes frustrating lives of the women guarding an oil depot as well as the aspirations and pain hidden deep within their hearts are all depicted in great detail. But if the novel merely finds itself held up by a lifelike depiction of this kind of everyday life, if when the floodwaters hit, it doesn't allow the essential spark of collectivism and communism which bursts through, to light up the entire novel, then there is a possibility that the novel may become a very shallow and trivial work, and cannot be likened to the luster of poetic quality that shines forth so captivatingly from some books. The book "The Pot, Bowl, Ladle and

"Basin Symphony" is a life story which takes place in a small restaurant, freely, uninhibitedly and with splendid structuring, depicting the many contradictions and obstacles which have to be faced during the course of present-day economic reform. However, because of the novel's touching depiction of Niu Hong, a young person engaged in reform, while illustrating the difficulties of reform, the novel also illustrates a song of praise for the irresistible advance of reform. Thus in this way "the pot, bowl, ladle and basin" perform a "symphony" of times, brimming over with the spirit of optimism.

The success of these stories proves once again that truth to life and brilliance of ideals are two important things that socialist art and literature cannot lack. Together they are beautiful; separated, both suffer. To make use of either one and neglect the other will bring damage to our socialist literature.

In recent years, in order to eradicate fake-romanticist rubbish, typified by such things as "the three prominences" and "lofty, great and all-embracing," the literary world has set up as its target, "writing the truth" and "restoration of the tradition of realism." This was very necessary and has had an extremely positive effect on recent literature. However, if this should bring about slowing down or even a halt in the brilliance of ideals and the spirit of revolutionary romanticism created in literature, then it will have overstepped the limits of criticism of literary idealism, and instead will have launched an attack on the laws of literature.

Admittedly, as far as literature reflecting and embodying concrete life-styles is concerned, some books are very good at depicting the fiery illusions of the world of ideals, while others are better at accurate and detailed descriptions of real, day-to-day life, and here lies the dividing line between the schools of romanticism and realism. But, as far as the real nature of literature's appreciation of the beautiful is concerned, no writer can completely separate and isolate either one of these two component parts, namely reality and ideals. The history of literature in both ancient times and modern, abroad and in China proves that outstanding pieces of work cannot divorce themselves from the reality of life and yet at the same time cannot eradicate the brilliance of ideals. Socialist literature does not need "to use beautiful ideals to replace the insufficiencies of reality," nor does it need "to use undisguised reality to remedy impoverished ideals" for life in the socialist society itself radiates the brilliance of ideals. The great revolutionary practice of the socialist era with the millions of the masses as its mainstay and the accurate guidance of a Marxist world view have together, with a full integration of reality and ideals, already provided us with the richest source of life and the most reliable ideological guarantees.

Today, some comrades consider the advocacy of communist ideology in literature with a "once again" type attitude, and they feel that this move implies "boasting" and a "sham." At the very least this can only be classed as a major misunderstanding. It is true that in former days,

"boasting" and "shamming" were labels which could be stuck onto communism but it is vital that we do not mix up and confuse true communism with fake or sham communism. In his report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out that communism as a social system to reach full realization in China, several generations' worth of arduous struggle is still required. Nevertheless, communist ideology and communist practice have both already existed for a long time in our daily lives. Our everyday lives all encompass communism and are all inseparably linked to communism. Surely those many heroes in the party and outside it, those multitudes who gave their everything, even their lives for revolutionary ideals, surely their struggle cannot be bartered? Surely it was the communist spirit that guided their behavior? It is very clear that the very essence of communism embodies the dialectic integration of reality and ideals. As a beautiful and bright future for mankind, communism is an ideal; as a practical activity and sphere of ideology, communism is a reality. And indeed this ideology and practice must intensionally include and give birth to the embryonic factors of this future vista. Each step of development is a step toward the great targets of the future. Thus one can see that the idea that literature should embody communist ideology and practice is not "boasting" nor "shamming," instead it is a demand that literature start from a base in real life, and provide revolutionary realism, revolutionary romanticism and an integration of the two. We should emulate such people as Luo Jianfu and Jiang Zhuying who performed communism in practice, and also possessed that state of communist ideology of infinite value in day-to-day life. They accurately linked together and bound up today and tomorrow, the present and the future. If we describe truthfully and concretely their ideological character and their innermost world then we will come upon the integration of the truth of life and the brilliance of ideals. Here we will find no problems of reality being elevated for the sake of ideals and here there will be no need to daub anything with the paint of ideals. The integration of reality and ideals is fully intensional, not external, it is natural, made of flesh and blood and alive.

Other comrades fear that promoting communism in this way may lead to a new type of formalism or stereotyping and generalization, thereby destroying the writer's artistic instinct. Admittedly, a writer or artist who obstinately follows a line which reflects a feeling that "the further away from politics the better" or "the further away from this period of time the better" and other such philosophies and creative theories, and does not actively throw himself or herself into the rising tide of bringing about reform, but instead lacks political enthusiasm for the new ideologies and new things in life which possess a communist component, and lacks real knowledge and insight, even lacking the minimum understanding, then, under these circumstances if someone produces a cold portrayal of a "militant" communist for some external purpose, of course it is very likely to fall into the category of formalism and generalization; it could even be very foolish and laughable. However, when an artist or writer takes communist ideology and beliefs and transforms them into an internal part of his or her own spirit and flesh and blood and transforms them into a concrete love and creative enthusiasm for day-to-day life, then science and poetry, reality and ideals can all attain a full, intensional, integrated unity. Here

advanced world views and methodologies become the writer's and artist's best tools and sharpest weapons, acting as a motive force and a compass guiding the writer and artist in understanding life, choosing subject matter, extracting and purifying the main theme, casting solid figures, working out the plot and so on. Naturally, the advocacy of communism can destroy a certain "creativity," but the kind of creativity which is destroyed is not by any means the kind of creativity which the people long for or demand and can only be that kind of creativity characterized by individualism, nihilism, liberalism, anarchy, religious ritualism, social-Darwinism, hedonism and so on. To ensure the prosperity of the literary cause in this new era, it is natural that this sort of "creativity" be destroyed.

When we discuss and summarize the historical course of socialist art and literature as well as our latest and newest experience, there is another question of methodology that is very well worth taking note of, and that is that it is very important that one distinguish clearly between the intrinsic character and nature of an object and any misunderstanding or misinterpretation of it. As was mentioned above, it is necessary to clarify according to strict scientific implications, the true implications and meanings of communist ideology and practice as well as clarifying the true implication and meaning of revolutionary realism, revolutionary romanticism and an "integration" of the two. Thus many misunderstandings and doubts and suspicions that have emerged have been clarified very quickly due to the recent raising of the communist banner in literary creativity. Modern literary creativity has already proved, and will continue to prove, that the demand that literature express communist ideology and beliefs to arm their own minds and the demand to uphold the integration of revolutionary realism and revolutionary ideals will not only have no limiting effect on writers' and artists' talents nor block the road to development for literature and art, but indeed it will, by necessity, bring about a widening of creativity and the flowers of literature will bloom with ever greater splendor.

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PAEAN OF A GENERATION OF MIDDLE-AGED INTELLECTUALS--AFTER SEEING THE FILM  
'ON REACHING MIDDLE AGE'

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 40-41

[Article by Zhang Baiqing [4545 2672 7230]]

[Text] After seeing the film "On Reaching Middle Age," adapted from the novel of the same name, written by Chen Rongzhong, in my mind's eye I often see the leading character of the film Lu Wenting and her pallid mien, weakened by serious illness, and in my ear the words come back to me from the text that Comrade Hu Qiaomu uttered as he mourned the premature deaths of Jiang Zhuying and Luo Jianfu who died in middle age: "Why weren't we able to realize their condition earlier? If we had had more time couldn't we have saved them? Why can't we adopt more, stricter 'compulsory measures,' so that they might obtain slightly better working and living conditions and so that they might get something like the rest they need? People...party members, none of you have any right to be so cold, detached and perfunctory in the way you handle and deal with people and situations."

Through overtime Lu Wenting is physically and mentally exhausted and very nearly creates a tragic death scene. She suggests that an enormously important question in our society is the contradiction in China between the important role of the middle-aged intellectual and the unfair treatment that he or she receives. In the past, "leftist" errors and its guiding thinking over quite a long period of time, as well as the fetters of small-producer type thinking in society meant that knowledge and intellectuals were generally looked down on. During the "Cultural Revolution" this situation reached its peak. After the smashing of the "gang of four," and in particular after the 3d Plenary Session of the 11th CPC Central Committee, the importance of science, culture and knowledge and the implementation of the party's policies for intellectuals once again appeared on the day-to-day agenda in China. Of intellectuals in general, middle-aged intellectuals are especially worth our attention. They represent a valuable treasure for the party and the people and on their backs they carry the heavy load of socialist revolution and construction, forming the link between their predecessors and their successors. One problem which urgently requires a solution is that of ensuring that we give these middle-aged intellectuals the social position they deserve, that we set up the necessary conditions for their work, their lives and their health and that we fully exploit their

roles in the four modernizations as the backbone and bridge of such work. This implies taking necessary measures within both the economy and in organizational terms, and of even greater importance is that we fortify public opinion and correct past errors and scorn connected with the question of intellectuals. Thus we can ensure that ideologically, the people increase their appreciation of the roles played by intellectuals, in particular middle-aged intellectuals. The CPC Central Committee has already begun to work on solving this problem, but nevertheless, scorn of intellectuals and the ideology of intellectuals still do have an effect which cannot be underestimated. The controversy which the publication of the novel "On Reaching Middle Age" caused and the various opinions which were voiced during the filming and after the screening of the film version all illustrate this question to varying degrees. Thus the screening of this film was very well timed, filled as it was with present-day significance. Lu Wenting's spirit of devotion and her bitter experiences may help cadres and the masses to understand intellectuals more accurately, especially the position and role of middle-aged intellectuals, and may also help people appreciate the urgency with which this problem should be solved and as a result may help further implementation of the party's policies for intellectuals.

The character of Lu Wenting, which the director of the film made great efforts to cast well, is an outstanding representative of the middle-aged intellectuals. By means of the artistic image of film the director is not simply appealing for improvements in the harsh working and living conditions of those such as Lu Wenting and Fu Jiajie, more importantly, the director is revealing to us their spiritual world, their essential condition. We can put it this way: This film has composed a heart-rending song of praise for their lofty communist moral character and I feel that it is this that is the key to the film's success.

Lu Wenting is a very believable intellectual, nurtured and fostered in new China; she loves socialism, loves the people and she loves life. After a long period of hard and exhausting research and rich clinical experience she has come to be considered as "a veritable scalpel" by everyone in terms of ophthalmic surgery in her hospital. For many years she has modestly and steadfastly made use of her consummate skills, serving her patients with her whole heart. For her the greatest joy in life is to allow one of her patients to see again. Her medical ethics are the highest and she displays deep understanding and sympathy for her patients, expressing her full and selfless love for them. She has no prejudices and she treats all her patients equally, whether they be a high cadre, an old peasant or a child. She spares no effort, patiently standing up against extreme fatigue and the pain which precedes the onslaught of illness. In one morning she carries out and completes three ophthalmic operations. There are countless middle-aged intellectuals in present-day life like Lu Wenting! The film succeeds in excavating and presenting Lu Wenting's beautiful qualities out of normal, day-to-day work and life, extolling her wondrous spirit and vitality, showing us all the contributions that middle-aged intellectuals are making in every frontline, allowing us to see the steadfast determination that they show in the face of terrible working and living conditions and the richness of the spirit of self-sacrifice with which they are imbued. The pain and

struggle in her life and work, and the terrible difficulties in giving equal time and attention to being both a doctor and a mother, sometimes cause Lu Wenting to become very upset. However, the director did not depict all this so that the audience would shed tears of sympathy, but in order to illustrate the complex and profound emotions in Lu Wenting and demonstrate her tenacious and rigid character and the qualities that go to make up a new socialist. The director also showed her marvelous qualities at home and in her affairs of the heart. She is a virtuous wife and a good mother and only as a result of her work and the causes she has, is she unable to fully fulfill her responsibilities as a wife and mother. She is fully aware of the great sacrifices that her husband Fu Jiajie is making in support of her work. When critically ill her remorse for her husband and her constant repetitions to buy sports shoes for Yuanyuan and plait braids for Jiajia surely charms us all when we see it. Some people say that the character of Lu Wenting makes people sad and sentimental. I believe that the director has tended to play up and underline her firmness and strength in the face of adversity, her beautiful moral qualities, ideals and emotions. This depiction of the new kind of person is surely much sooner something which gives us the strength and encouragement to continue our struggle and which offers us a model to learn from.

The characters Liu Xueyao and Jiang Yafen are a different sort of middle-aged intellectual couple. They have ambitions, they are sociable, sincere, open and above-board, yet at the same time they also display the fragile side of some intellectuals. The adapted film version of the novel manages very successfully to put across their nature, ideology and emotions. This is also true for the description of the objective reasons for their departure, the problems they are not willing to discuss. Understanding of them is shown in Lu Wenting's words and actions and in this way sympathy for them is aroused. The film makes great efforts to depict this emotional conflict among couples. The details of Jiang Yafen on the way to the airport, her long heartfelt soliloquy and her mood of pondering her suffering as she writes a letter to Lu Wenting in the departure lounge makes the audience understand and appreciate that they will never forget their feelings for their homeland and that one day they will return to the bosom of their homeland. The film suggests that the reasons for Jiang Yafen's departure are based in her life. In real life, situations such as that involving Jiang Yafen and her husband Liu Xueyao are no different. Their decision to leave was nothing like that of some people who long for a Western lifestyle, instead it was defined by specific circumstances such as the fact that they were unable to obtain the work conditions in which they could use their skills and they were unable to find the concern they needed in life nor ample political conviction. The 10 years of social chaos meant that the greatest years of a whole generation of intellectuals were wasted and lost. Today they are working hard and devoting themselves to the cause of socialist construction. Thus it is extremely important that in every frontline people be given jobs to suit their abilities and their roles so that middle-aged intellectuals may give expression to their role as a solid backbone. In some sectors and work units not nearly enough is being done in relation to this problem. In real life there are still cases of middle-aged intellectuals, such as Hunan's Jiang Yongxu, who want to leave

China because of pressure and worries put on to them, and this should remind us of another aspect of this question, that we should continue to work very hard in implementing the party's policies concerning intellectuals, for there is still much to be done.

In the film the character Qin Bo, "the old Marxist-Leninist woman," is also of interest. This old lady who is constantly talking in eloquent and revolutionary tones is insufferably arrogant and is the wife of a high-level cadre and she views this middle-aged intellectual Lu Wenting with pragmatism and egoism, thereby reflecting the class attitudes of some people in society and traditional prejudices against intellectuals. In this sense Qin Bo is very representative and characteristic. The film version of the novel makes more of her, but since what has been added is external and in some cases carelessly done, the character loses something and the artistic effect is to some extent weakened.

In terms of artistic style the film "On Reaching Middle Age" is aiming for simplicity, truth and naturalness. The director has shown ingenuity in the structure of the film. Just like a piece of fine prose the film is rich in emotion and color and the overall style is both beautiful and sad. The use of Pei Duofei's verses to depict the nature of Lu Wenting and Fu Jiajie and bring out their emotional world is very appealing and well done. This piece of poetry is witness to their love and their shared life and when Lu Wenting is mortally ill, the words of the poem once again recall happy memories of past events for her. The poetry adds a sense of beauty to the characters and provides the artistic conception for the film.

In recent years there has been an increase in films which use intellectuals as their main characters. In addition to "On Reaching Middle Age," the Guangxi Provincial Film Studios recently completed a film called "Spring Sunlight" and this was also very well received in cinemas. The character Ling in the film, a teacher, represents the countless teachers of today who are devoted to the cause of teaching the people. He displays an irrepressible and ever more determined will. He has heavy duties in his work and makes severe demands on his pupils. He teaches with skill and patience and like Lu Wenting he is representative of the middle-aged intellectual filled with the spirit of devotion. Let us hope that those artists working in film will continue in this vein, thus helping intellectuals who are fighting in every line of battle and let us hope that the film world will continue to produce quality work like "On Reaching Middle Age" and "Spring Sunlight."

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OUTLINE FOR THE STUDY OF IMPORTANT DOCUMENTS DRAWN UP SINCE THE THIRD PLENARY SESSION

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[Article by RED FLAG Editorial Office of Theory and Education; passages within slantlines published in boldface]

[Text] VII. Strengthen Party Building and Uphold and Improve Party Leadership

Our party is the core of leadership of the people of various nationalities in our country. To strengthen party building and to uphold and improve party leadership are of decisive significance to our country's socialist modernization. When we study this special topic, we can pay special attention to Comrade Deng Xiaoping's articles: "Uphold the Four Basic Principles," "The Realization of Our Ideological Line and Political Line Must Be Guaranteed by Our Organizational Line," "Senior Cadres Must Take the Lead in Developing Our Party's Fine Tradition," "The Current Situation and Our Current Tasks" and "Reform of Our Party and State Leadership Systems"; Comrade Chen Yun's articles: "Speech at the Opening Session of the First Plenary Session of the Discipline Inspection Subcommittee of the CPC Central Committee" and "To Promote and Train Middle-Aged and Young Cadres Is a Task of Top Priority"; Comrade Hu Yaobang's articles: "Be a Thoroughgoing Materialist," "Several Questions on Improving Our Party's Style of Work" and "Speech at the Meeting for Celebrating the 60th Anniversary of the Founding of the CPC"; Comrade Deng Yingzhao's article: "Steadfastly Improve Our Party's Style of Work"; Comrade Nie Rongzhen's article: "We Must Continue To Eliminate Remaining Factionalist Forces"; the CPC Central Committee's documents: "Certain Norms of Inner-Party Political Life," "Instruction of the CPC Central Committee on Several Questions About Persisting in 'Giving Less Publicity to Individuals'" and "Resolution on Certain Questions on the History of Our Party Since the Founding of the PRC"; and so on.

When we study this special topic, we can grasp the studying of the following four main points:

1. Our party is the core of leadership over our cause of socialist modernization;

2. A high degree of ideological and political uniformity must be maintained in the whole party;
3. The building of our organizations must be strengthened to ensure the implementation of our party's political line; and
4. The question of the style of work of a governing party is related to the survival or perishing of the party.

/When we study the first main point, we should pay attention to understanding the following: First, only with party leadership can success be achieved in socialist modernization; and second, adherence to party leadership necessitates improvement of party leadership./

If our country is to achieve success in socialist modernization, party leadership is essential. This truth is self-evident to the overwhelming majority of our party members and our people. However, after our party had resolved to shift the focus of work to socialist modernization, an extremely small minority of people in society said that party leadership was essential to revolution, but not to modernization. Some other people only looked at our party's mistakes and the many problems in our party's organizational aspect and style of work. Therefore, they lacked confidence in party leadership. In the light of this situation, in his article "Uphold the Four Basic Principles," Comrade Deng Xiaoping said: "To achieve the four modernizations in China, we must adhere to the four basic principles ideologically and politically. This is the basic prerequisite to the four modernizations." In his article "The Current Situation and Our Current Situation and Our Current Task," he again stressed: "The core of our adherence to the four basic principles is the adherence to party leadership." Our party's leadership over China's socialist cause is a result of the prolonged history of revolutionary struggle and socialist construction, is compatible with laws of social development, and is a conscious choice of the people of our country. The destiny of socialism is closely integrated with party leadership. This is due to the nature of our party as the vanguard of the working class. The achievement of success in socialist modernization requires the satisfaction of the following basic conditions: We must adhere to the socialist road and carry out modernization programs under the socialist system; we must work to attain a high degree of socialist democracy and adhere to the people's democratic dictatorship; we must adhere to educating the people in communist ideology and working to attain a high degree of socialist spiritual civilization; we must create all conditions necessary for a full development of the socialist enthusiasm and creativity of the masses of people; we must consolidate and develop the political situation of stability and unity, ensuring that stable circumstances in our country benefit our modernization construction; and oppose hegemonism and help to safeguard world peace in the international arena, so that international conditions will be favorable to our country's modernization. To fulfill these conditions, our party must integrate universal Marxist truths with the actual condition of our country's modernization construction, formulate a correct line and correct guiding principles and policies, and exercise leadership over the whole party and the whole nation

in waging arduous struggles. Comrade Deng Xiaoping said: "China and its socialist modernization must be subjected to the leadership of the Communist Party. We must not waver in upholding this principle; otherwise, China would retrogress to a state of being split up and chaotic and modernization would be impossible." Our party did commit mistakes. However, it has resolutely corrected the mistakes. No one may use our party's mistakes as an excuse for weakening, departing from or even undermining party leadership, which would only result in more serious mistakes and catastrophes.

To uphold party leadership, we must improve party leadership. Our party exercises leadership mainly in the political, ideological and organizational realms. Our party must formulate and implement a correct line and correct guiding principles and policies, do a good job of its organizational, propaganda and education work and develop the exemplary vanguard role of all party members in all categories of work and in social life. Because of the sabotage of the counterrevolutionary clique of Lin Biao and Jiang Qing, our party's prestige among the people is not as good as in the past. An urgent problem is the need to restore our combat strength to satisfy the requirements of socialist modernization. Comrade Deng Xiaoping said that to improve party leadership, we must in the first place improve the organizational setup of our party and improve our party's style of work, and this involves the question of requiring party members to be qualified. Second, we must improve our party's leadership work and leadership system, and this involves the question of requiring party members to possess professional knowledge and the question of how to realize party leadership. Third, we must strengthen party discipline and resolutely ensure our party's unity and combat effectiveness. We must stress the organizational principle whereby the individual is subordinate to the organization, the minority is subordinate to the majority, the lower level is subordinate to the higher level, and the whole party is subordinate to the CPC Central Committee. The most important thing is that the whole party must be subordinate to the Central Committee. Only by improving party leadership can the following things be ensured: Our party can formulate correct propositions in which correct ideas of the masses are summed up and the basic interests of the masses are reflected, and through propaganda, education and practice, our party can make its correct propositions acceptable to the masses, so that they are transformed into the conscious action of the masses; our party can achieve a high degree of ideological and political uniformity, can have a rigorous organizational setup and strict discipline, and can unite and exercise leadership over our 1 billion people to bring about concerted action; every party member can acquire the spirit of struggling all his life for communist ideals, can wholeheartedly serve the people without seeking personal benefits, and can take the lead in building socialist civilization; our party can have expert knowledge about various categories of construction, can satisfactorily seek advice from experts in various fields, can unite them to work together, and can thus exercise leadership over socialist construction; and also the committing of mistakes by our party can be avoided or reduced, and mistakes can be quickly corrected. The undertaking of socialist modernization sets a higher demand on our party. Therefore, we must seriously deal with the aftermath of the decade of internal

disorder and conscientiously improve party leadership and strengthen party building.

/When we study the second main point, we must pay attention to understanding: First, the great importance of a high degree of ideological and political uniformity among the whole party; and second, that the most important thing is the maintenance of uniformity with the CPC Central Committee./

To maintain a high degree of ideological and political uniformity among the whole party is a basic requirement of the strengthening of party building. What we call a high degree of ideological uniformity means that the whole party must uphold the Marxist ideological line of proceeding from actual conditions in all cases, integrating theory with practice, seeking truth from facts, and testing and developing truths in practice. What we call a high degree of political uniformity means that the whole party must take communism as the supreme program and all communists must fight all their life for communism. At the present stage, to uphold the four basic principles and to put together all forces to carry out socialist modernization constitute the political basis of the whole party's unity. Only by maintaining a high degree of ideological and political uniformity can our party formulate and implement a correct line and correct guiding principles and policies, can our party organizations be purified, can democracy and fine traditions be fully developed in our party, and can our party's combat effectiveness thus be strengthened, so that our party can become a firm core of leadership over our country's socialist modernization.

Comrade Deng Xiaoping said: "Various organizations as well as every party member must abide by the stipulations of the party constitution. In all their actions, they must obey the decisions of higher organizations. In particular, they must maintain political uniformity with the CPC Central Committee." In the course of the current great historical change, many party members and cadres in our party, including a number of leading cadres, have not yet freed themselves from erroneous "leftist" ideology or are being poisoned by bourgeois ideology. Where they are in power, there our party's line, guiding principles and policies are not well implemented. Moreover, the implementation of our party's line, guiding principles and policies is interfered with and sabotaged by a minority of people who gained their status through rebellion, by people with intense factionalist thinking, by smash-and-grabbers, by those who oppose the line enforced by the CPC Central Committee since the third plenary session, and by people who seriously violate the law and discipline in various ways. In the light of this situation, it is particularly important to stress the maintenance of political uniformity with the CPC Central Committee. How can this be achieved? First, the whole party must be taught the necessity of upholding the Marxist ideological line and a series of guiding principles and policies. Second, all propaganda concerning those issues involving major principles must conform to the CPC Central Committee's resolutions and must not go against them. Third, inner-party ideological and political work must be strengthened and the consciousness of party members and cadres of our party must be continuously enhanced. Fourth, we must opportunely and correctly launch struggles against both "leftist" and rightist erroneous

tendencies, strengthen the work of inspecting discipline in our party, take the maintenance of political uniformity with the CPC Central Committee as the most important task in inspecting discipline, and get the whole party to struggle against violations of this important political discipline. Whether a party member can maintain political uniformity with the CPC Central Committee is the main criterion for judging whether his party spirit is strong or weak, up to standard or not. In this connection, there are two categories of erroneous views and practice. One is an ossified way of thinking, indiscriminate imitation in all cases, and mechanical passing on of all directives, without integrating our party's line, guiding principles and policies with the actual circumstances of one's own locality or unit, without studying new conditions and solving new problems, and without doing anything creatively or effectively. The other category is using the excuse of what is called "creativity" to negate the four basic principles and to refuse to implement our party's line, guiding principles and policies. This is a reflection of the ideological trend of striving for bourgeois freedom. Both categories of ideology are against Marxism and disadvantageous to the strengthening and improvement of party leadership.

/When we study the third main point, we must pay attention to understanding the following: First, the importance of perfecting democratic centralism and strengthening party discipline; and second, the urgent need to make the contingent of cadres more revolutionary, younger in age, more highly educated, and more professional./

The necessity of perfecting democratic centralism for the whole party is one of the serious lessons which the "Great Cultural Revolution" taught us and one of the basic requirements for strengthening party building. Our party is a unified entity organized according to its own program and constitution and according to democratic centralism. In our party, a high degree of centralization is achieved on the basis of a high degree of democracy. The upholding of democratic centralism ensures a high degree of democracy, liveliness and vigor in our party and also ensures a high degree of centralization and concerted action in our party. Only thus can our party become a strong combat group. The Seventh and Eighth National CPC Congresses stressed the necessity of upholding democratic centralism. The Eighth National CPC Congress particularly stressed the principles of opposition to personality cult and persistence in collective leadership. Later, however, the personality cult actually continued to develop and inner-party life became increasingly more abnormal, finally leading to the 10 years of internal disorder. The 3d Plenary Session of the 11th CPC Central Committee put forth the necessity of developing inner-party democracy and of safeguarding party members' democratic rights and the necessity for the CPC Central Committee and party committees at various levels to uphold the principle of collective leadership. At the 3d Plenary Session of the 11th CPC Central Committee, it was pointed out that "we must resolutely correct all practices which are incompatible with our party's principle of democratic centralism and collective leadership." In this respect, our party has corrected many erroneous views and practices. First, it has reaffirmed correct Marxist viewpoints on the relationship between the masses, various

classes, the political party and the leaders. It has ended old and new forms of personality cult. It has made the important resolution of "giving less publicity to individuals." It has reaffirmed what was consistently advocated by Comrade Mao Zedong, that is, all party members must address each other by calling each other comrades, not by official titles, and the personal views of any responsible party members, including leading comrades of the CPC Central Committee, must not be called "instructions." Second, reform of our system of party leadership has been carried out. In this respect, our new party constitution contains clear and strict stipulations which stress the reform and improvement of our leadership system aimed at overcoming various defects hindering the implementation of the principle of democratic centralism and collective leadership. Moreover, ideological education for party members, in particular, cadres of our party, has been strengthened. Third, regular activities of party organizations at various levels are restored and amplified. In particular, leading cadres of our party are engaged in dual regular activities of party organizations. Inner-party democracy has been genuinely developed. Criticism, self-criticism and necessary ideological struggles have been conscientiously launched. In this respect, the CPC Central Committee has set a good example for party organizations at various levels. Fourth, the tendency of inadequate inner-party supervision has been corrected and party organs for discipline inspection have been restored and perfected. If there were a lack of discipline as a guarantee of success, and if party organizations at various levels and all party members acted in their own ways, then our party would be unable to have a unified will or to take unified action, and the implementation of our party's line, guiding principles and policies would be impossible. The result would not be democracy, but extreme democratization and anarchy. Then, our party would not be a united and unified combat group, and party leadership would be out of the question.

An important task in strengthening the building of party organizations is to bring about cooperation between new and old cadres, to replace old cadres by new ones, and to make the contingent of cadres more revolutionary, younger, more highly educated, and more professional. This is an objective requirement of the current historical period. If we are to exercise leadership over our socialist modernization, our contingent of cadres must uphold the four basic principles, must possess professional knowledge and ability, and must be in the prime of life. However, the condition of our contingent of cadres is incompatible with these requirements, as reflected mainly in the following facts: The contingent of cadres is getting elderly because in the past, the replacement of old cadres by new ones was not regarded as important and was not satisfactorily carried out; and the composition of cadres is irrational and there are relatively large numbers of cadres who lack professional knowledge and ability, because in the past, economic construction was not taken as the focus of our work and political movements were incessantly launched. The correct political line has been established at the 3d Plenary Session of the 11th CPC Central Committee, and its implementation must be ensured by our organizational line. Comrade Deng Xiaoping said: "In carrying out the four modernizations program, we urgently need to train and select a large contingent of qualified personnel. A new task as well as a responsibility to be shouldered by our elderly comrades and senior

cadres is to conscientiously select good successors." He continued: "This is a major strategic question related to the long-term interests of our party and state." In his article entitled "To Promote and Train Middle-Aged and Young Cadres Is a Task of Top Priority," Comrade Chen Yun stresses that the solution of this problem is a historical requirement and also a choice we must make in view of our party's undertakings. To satisfactorily solve this problem, we must achieve the following: First, we must correctly sum up and learn lessons from the bitter experience of our party and the parties of other countries in connection with this problem, and we must more deeply understand the great importance of this problem. We must correctly understand the sharp contradiction between our party's task and the condition of our contingent of party cadres. We must increase our consciousness and sense of urgency. Second, we must conscientiously correct certain categories of erroneous understanding, eliminate the backward habit of assigning orders of seniority according to length of service, put an end to erroneous views and practices embodying despising of knowledge and intellectuals, correct the one-sided view of regarding younger people as inexperienced, strengthen party spirit, overcome factionalism, transcend the limitation of small coteries, and discover and select qualified personnel on an extensive scale. Third, our personnel system and cadre system must be reformed so that brilliant qualified personnel can be more satisfactorily trained, selected, or employed by making exceptions to rules. A struggle must be resolutely waged against all instances of wreaking suppression or ruin on qualified personnel. Middle-aged and young cadres must be employed according to their abilities; their skills and capability must be put to use; strict demands must be placed on them; they must be conscientiously trained; their party spirit must be strengthened; and their professional knowledge and abilities must be enhanced. Fourth, the role of old cadres must be fully brought into play. They must pass on their knowledge to middle-aged and young cadres, help them, and lead them. Moreover, satisfactory arrangements must be made for the retirement and resignation of elderly cadres and their retreat to the second front. Concerning the selection of successors, qualitatively, they must possess both political integrity and ability and must be in the prime of life; quantitatively, they must be "a large contingent," numbering tens of thousands, not just very small numbers; and with regard to age, not only must some of them be people around 50 years old, but the majority of them should be around or under 40 years old. In selecting successors, we must pay attention to not promoting even one of those who gained their status through rebellion, those who had strong factionalist thinking, smash-and-grabbers, those who oppose the line enforced by the CPC Central Committee since the 3d Plenary Session of the 11th CPC Central Committee, or those who seriously violated the law and discipline in various ways. Anyone belonging to these categories who had been promoted must be resolutely expelled from the leading groups.

/When we study the fourth main point, we must pay attention to understanding: First, how to correctly view the question of our party's style of work; and second, how to strive for a basic improvement of our party's style of work./

Rectification of our party's style of work is an important task in the building of our party since the smashing of the "gang of four." At the 3d Plenary Session of the 11th CPC Central Committee, the task of earnestly improving our party's style of work was put forward. In his article entitled "Upholding the Four Basic Principles," Comrade Deng Xiaoping said: "In the current period of historical change, problems are numerous and many tasks remain to be undertaken. To strengthen party leadership and to rectify our party's style of work are of decisive significance." Comrade Chen Yun said: "The question of the style of work of a party in power is related to the party's survival or perishing. Therefore, we must firmly and permanently grasp the improvement of our party's style of work." In his article entitled "Several Questions About the Improvement of Our Party's Style of Work," Comrade Hu Yaobang expounds the great importance of improving our party's style of work in three senses. First, considering our party's history over the past several decades, our party's correct line and policies are inseparably amalgamated with a normal life and a good style of work in our party. Only by integrating these two things can we improve our party. Second, considering our party's status as the party in power, our party is more likely to commit mistakes and is in greater danger of being divorced from the masses than in a time of war. Our party may even degenerate. Therefore, there is an urgent need to improve our party's style of work. Third, considering the actual situation, the current serious problems of our party's style of work constitute an important factor affecting our party's work and social stability and unity. To sum up, only with an improvement in our party's style of work can our party continue to be essentially the vanguard of the working class, can it enjoy high prestige among the masses, can it possess great combat strength, and can it more satisfactorily play its leadership role. Therefore, we must attach great importance to the question of our party's style of work. However, some people have incorrect views about the question of our party's style of work. One view stresses the seriousness of unhealthy tendencies in our party, describes our party as utterly hopeless, and expresses loss of confidence in our party. Some people even say there is a "privileged stratum" in our party. These views are obviously erroneous. The unhealthy tendencies in our party arise from the influences of the ideologies of exploiting classes and are not inherent in a proletarian party. Considering the overall situation of our party, it is mainly a good party and it continues to struggle against unhealthy tendencies. It is wrong to view questions one-sidedly. Another erroneous view is that the grasping of improvement of our party's style of work seems to be unimportant. Some comrades query whether our party can afford to grasp the question of style of work, now that it is so busy with economic work. Actually, the grasping of our party's style of work is greatly advantageous to economic construction. It is the people's aspiration to rectify our party's style of work. If our party acted against the people's aspirations, it would not be able to exercise leadership.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has soberly realized the importance of and urgent need for rectifying its style of work. It has always attached extremely great importance to rectifying its style of work and enforcing party discipline. It has taken a

series of powerful measures and has achieved marked success and positive new experience. Our new experience in rectifying our party's style of work can mainly be summed up as follows. First, within the whole party, ideological education and ideological-political work are strengthened in the first place. We must provide education in the basic theories of Marxism-Leninism-Mao Zedong Thought, in communist ideals, in the line, guiding principles and policies of our party, in basic knowledge about our party, and in the criteria of a good communist. Thus, every communist can be taught to clearly understand our party's nature, role and status, to understand that a basic requirement which our party must fulfill is to serve the people wholeheartedly, and to understand that all party members have only the obligation to serve the people diligently, without any right to take advantage of their posts to gain benefit at the expense of the state or the masses. Every communist must genuinely become up to standard ideologically and politically through education. Second, we must strengthen leadership by party committees at various levels and the work of discipline inspection organs. We must resolutely struggle against various unhealthy tendencies. If party committees overcome slackness and feebleness and take the lead in rectifying the style of work, this effort of theirs will be of great significance to the improvement of our party's style of work. Discipline inspection organs have the responsibility to investigate and deal with cases of violation of party discipline by party members. However, their basic task is to rectify our party's style of work. Since the establishment of the Central Discipline Inspection Commission under the CPC Central Committee, it has done a great deal of effective work and has played an important role in enforcing party discipline and rectifying our party's style of work. In the struggle to enforce party discipline and rectify our party's style of work, the primary task is to enforce our party's political discipline, so that every party member can maintain political uniformity with the CPC Central Committee. Third, in rectifying our party's style of work, we must adhere to the mass line and overcome the erroneous tendency of being afraid to struggle against unhealthy tendencies. However, in view of the grave consequences of past "leftist" mistakes, we will not launch mass movements. In adhering to the mass line, we can ferret out instances of violation of the law or discipline, and also praise advanced examples of abiding by the law and discipline. Adherence to the mass line is the most effective method of preventing and correcting various categories of erroneous words or deeds. Fourth, in enforcing party discipline and correcting unhealthy tendencies, we must carry out investigation and study and seek truth from facts. We must correctly distinguish between and handle the two essentially different categories or contradictions. To conduct investigation and study is the basic method. On this basis, we must opportunely get to know the trend of thought in our party, correctly decide on our tasks and the correct guiding principles for our work, and ascertain the nature of various cases and decide on correct methods of handling them. In dealing with comrades who have committed mistakes, we must adhere to the principle of being realistic. Any mistakes must be acknowledged as what they really are, without exaggeration. Only he who commits a mistake can be held responsible for it, and the arbitrary extension of responsibility to other people must be avoided. Any conclusions arrived at must be disclosed to the person concerned, who must be allowed to give explanations

and defend himself. After a case has been handled by the organizations concerned, the person who committed the mistake must still be helped warmly. Thus, while we correct unhealthy tendencies, we can also restore and develop our party's fine traditions. Fifth, rectification of our party's style of work must be integrated with the improvement of various systems of our party. Unhealthy tendencies arise from the problem of unsatisfactory systems, aside from ideological problems. If our systems are perfected, the style of work of the majority of comrades can be further improved, while the propagation of unhealthy tendencies by a minority of people can also be easily resisted and curbed. Our party has drawn up the documents: "Certain Norms of Inner-Party Political Life" and "Certain Regulations About Remuneration for Senior Cadres," has reformed and perfected leadership systems, has streamlined administrative bodies, has perfected the system of democratic centralism, has reformed and perfected personnel systems, organizational systems and various specific work systems, and so on. These efforts of our party are of great significance in overcoming various unhealthy tendencies. Conversely, the overcoming of various unhealthy tendencies promotes the reform of our systems and ensures the success of this reform. Sixth, to consolidate the organization of our party on a full scale at an opportune time is quite necessary for the rectification of our party's style of work and the purification of party organizations. An overall consolidation of party organization, which will begin this year, would certainly tremendously promote a basic improvement of our party's style of work. Of course, we should now firmly grasp and satisfactorily perform what should be done now, and we must not wait until the time has come for an overall consolidation of the party organization before we solve our problems. We must continue to grasp firmly the struggle against serious criminal activities in the economic realm. Actually, this struggle is an important step in our party consolidation. We must also vigorously curb several unhealthy trends which are gravely undermining the interests of the state and the people. According to the opinions of the masses, currently the two most powerful unhealthy trends are as follows. First, some leaders regard the units they are in charge of as their own "territories" which they can dominate in any ways they like. They take the power assigned to them by our party and the people as the capital asset which enables them to act like an overlord and commit all kinds of outrages. This represents a malignant expansion of individualism. Second, a minority of party members and cadres take advantage of their powers of office to seek private gain. For example, they practice favoritism and embezzlement in building or allocating houses, make arrangements in their relatives' favor for getting school places, jobs, readjustment of wages, promotions, changes of status from being rural residents to being residents of towns, and so on. They even damage public property, indiscriminately and lavishly fell trees in forests, and violate the law or discipline. We must organize forces and mobilize the masses to resolutely wage struggles against these unhealthy trends, so that further improvement of our party's style of work can be promoted.

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## WHAT IS THE DIFFERENCE BETWEEN COOPERATIVE ECONOMY AND COLLECTIVE ECONOMY?

Beijing RED FLAG in Chinese No 7, 1 Apr 83 pp 46-47

[Article by Huang Daoxia [7806 6670 7209]]

[Text] In the report to the party's 12th CPC National Congress, the need to develop "the cooperative economy within the system of collective ownership by the working people" was mentioned, while before this report there was for some time only talk of collective economy. Is there any difference between these two?

The eighth article of the "Constitution of the People's Republic of China" states that "people's communes, agricultural production cooperatives and other styles of cooperative economy such as those involved in production, supply and marketing, credit and consumer business are economic systems under the collective ownership of the socialist working masses." This illustrates that under present conditions in China, as far as management and administration styles are concerned, there are many varieties of cooperative economy and in terms of systems of ownership, these economies are collectively owned by the working masses and thus the basic content of a cooperative economy and a collective economy is the same. Rural people's communes, agricultural production cooperatives, all other styles and kinds of integrated bodies and cooperative organizations in the countryside involving preproduction and postproduction socialized services such as supply and marketing, processing, storage and delivery, technology, information and loaning, as well as household management, which is related to socialist planned economy, including the system of contracted responsibilities households and specialized households (this kind of household management with contracts divided by households represents one level of management in the cooperative economy and the system of contracted responsibilities is a new style of the agricultural cooperative economy), are cooperative economies and also collective economies. Cooperative economies collectively owned by the working masses are the main economic style in China. It along with ownership by the whole people, state-owned economy make up the foundation of China's socialist economic system, namely the socialist system of public ownership of the means of production.

Of course, in historical terms the collective economy and cooperative economy are different.

Marx and Lenin called the cooperative economy "the cooperative system" and it was a transitional economic style for changing the system of small-scale private ownership. According to Engels the characteristic of the cooperative economy was the adaption of small-scale agricultural private production and private ownership into cooperative production and ownership. The style of distribution was such that revenue could be proportionally distributed according to the amount of shares brought up, the amount of cash put forward and the resultant labor obtained, thus distribution was not entirely according to labor. ("Selected Works of Marx and Engels," Vol 4, p 310) Lenin stated that under conditions of capitalism a cooperative was a collective capitalist organization and under conditions of socialism cooperative enterprises were collective enterprises, different from private capitalist enterprises. ("Selected Works of Lenin," Vol 4, pp 685-686) During the process of cooperativization of agriculture in China there were also certain differences between cooperative economies and collective economies. In the beginning we called cooperative economies "economies of a semisocialist nature." ("Joint Program on the Chinese People's Political Consultative Conference," Article 29, 29 September 1949) Later cooperatives were divided into "semisocialist cooperatives" and "completely socialist cooperatives." ("Selected Works of Mao Zedong," Vol 5, pp 120-121) After this the former of these two came to be known as "primary level cooperatives" and the latter as "high level cooperatives" with the "primary level cooperatives" being called "partially collectively owned agricultural production cooperatives" and the "high level cooperatives" being known as "fully collectively owned." On 30 June 1956 the publication of "The Regulations Concerning Model High Level Agricultural Production Cooperatives" stated that high level agricultural production cooperatives were economic organizations collectively owned by the working people. In the socialist changes carried out on individual agriculture we adhered to the principles of voluntary participation and mutual benefit, exemplary models and state aid and thus set up temporary mutual aid groups and long-term mutual aid groups which developed into primary level agricultural production cooperatives of a semisocialist nature which in turn developed into high level agricultural production cooperatives of a socialist nature. During this developmental process for cooperative economies, it was only high level agricultural production cooperatives that were called collective economies while temporary and long-term mutual aid groups and primary level agricultural production cooperatives were only called cooperative economies and not collective economies.

Why was it that for some time afterwards we only talked of collective economies and no mention was made of cooperative economies? The bringing about of agricultural cooperativization in China, changing rural individual economies into socialist cooperative economies, was historically extremely significant. But, later, during the communization movement "leftist" mistakes occurred in the impatience to bring about the transition of small collectives into large collectives and bring about the transition of collective ownership into ownership by all the people. Although the CPC Central Committee began to correct these "leftist" errors very quickly, the fact that the guiding ideology was still "leftist" meant that the problem could not be solved and thus such mistaken beliefs such as "the

greater the extent of public ownership of the means of production the better," "all the people" is better than "collective" and "collective" is better than "cooperative" continued to be voiced. Under the guidance of this kind of thinking cooperative economies were not mentioned for a long period of time after **communization** took place and in some areas there were even such activities referred to as "cutting off the tail" and "the poverty transition."

After the 3d Plenary Session of the 11th CPC Central Committee the party succeeded in carrying out a series of projects in the rural areas designed to restore order out of chaos and once again introduced the cooperative economy. This was extremely significant in eradicating the effects of "leftist" errors, correctly understanding and developing cooperative economies and guiding the peasants even more successfully on the road to socialism. During many years of practical experience after the post-cooperativization period there was some malpractice in and abuse of the cooperative style of economy, in areas such as production, management, laboring and distribution. The main problem was the oversingularity of the economy style, with overcentralized management, and in terms of distribution everyone was "eating from the same big pot," thereby creating egalitarianism. This was not in line with Marxist-Leninist principles of the cooperative economy nor was it in line with China's actual situation in rural areas. For a long period of time the people suffered "leftist" influences and thus some erroneous ideas spread around. Any mention of a collective economy meant only the merging of all means of production and it was not permissible to retain a certain amount of family management. Any mention of a collective economy meant one could only carry out distribution according to work points, and no other styles were permitted, especially not cooperative shares and profits. Any mention of a collective economy was restricted to production cooperation, with any preproduction or post-production links being totally left out. Any mention of a collective economy was restricted to organization according to area and the gradual transition of ownership, with no possibility of multiarea or multilevel integration. Today, these frameworks which were brought in from abroad or set up here in China and which are not suitable to the actual situation have at last been broken down by the creativity and practice of the people and the many styles of cooperative economy under collective ownership of the working people are blossoming. The system of contract responsibility is now being carried out throughout the rural areas in China. The extent of common ownership of the means of production in cooperative economies, the content and form of distribution according to work and the cooperative itself are different in different areas based on the actual situation in rural areas in China and depending on differences in region, differences in production and differences in economic conditions, and thereby the characteristics of every region are preserved. For example, in some places integration of funds is being carried out at the same time as integration of labor. Some involve integration by preserving the household management style and not touching individual or work unit ownership of the means of production. Others, in addition to production cooperation, are also carrying integration into areas such as supply and marketing, storage and delivery, technological services and so on. Some are carrying out integration according to area, some are carrying out multiarea integration. All these many different styles represent a picture of prosperity and activity.

IS THE BUILDING OF MATERIAL CIVILIZATION THE FOUNDATION FOR STRENGTHENING  
OURSELVES IDEOLOGICALLY?

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[Article by Guo Yongwen [6753 3057 2429]]

[Text] In his report to the 12th party congress Comrade Hu Yaobang said: "The building of material civilization is a vital foundation for the building of socialist spiritual civilization." Some comrades have mentioned during study sessions that it is easy to understand that the building of a material civilization forms the foundation for the building of a spiritual civilization but is it the foundation for ideological building in a spiritual civilization? Our answer is yes.

1. A fundamental law for the development of human society is that the productive forces determine the production relations and the production relations must be in harmony with the developmental situation of the productive forces. It was on the basis of the contradictions between the productive forces and the production relations in capitalist society that Marx arrived at the scientific conclusion that socialism must replace capitalism. Why is it that socialism will without doubt conquer the capitalist economic system? Because it is able to produce a higher labor production rate than a capitalist economic system, thereby supplying society with more commodities and making society increasingly rich. The superiority that the socialist system enjoys over the capitalist system is illustrated in many areas but the most fundamental of these is the speed of economic growth, and results which surpass those of capitalist systems, thus being able to set up a much greater material civilization than capitalism.

One important task in ideological building is the propagation of the superiority of the socialist system so that we may be sure that the people love and respect socialism. Before our revolutionary victory this kind of propaganda work had reached a stage of talking in general theoretical terms and the beautiful prospect of socialism was used to encourage and stir the masses. After the founding of a socialist society the superiority of the socialist system should find realization. During this period of propagation of the superiority of the socialist system, talking in theoretical terms is not enough and what is needed is the factual basis of the building of material civilization. With obvious progress in the building of material

civilization the superiority of socialism becomes evident and on this basis propagation of socialism's superiority over capitalism achieves great success and this is because facts always speak louder than words. By coming to understand it in a very personal way the masses' understanding of the superiority of socialism becomes more concrete and deeper and thus they may redouble their love for socialism, thereby increasing their socialist consciousness and confidently devoting themselves to socialist construction. If, within the socialist system, development of the productive forces is ignored and no evident progress is made in the building of material civilization, the prestige of socialism may be damaged and some people may feel that the superiority of the socialist system is not so obvious, indeed some people may even begin to have doubts and suspicions. Under these kinds of circumstances it is difficult for ideological and political work to have any great success. Ideological and political work is needed to mobilize the masses' enthusiasm for constructing socialism but for that to happen socialism must provide the people with concrete material benefits.

Originally rudimentary revolutionary thinking was that socialism was for the prosperity of the people and that ideological construction had to have a foundation in a material civilization. However, during the Cultural Revolution Lin Biao, Jiang Qing and their cohorts criticized development of production and economic construction as "a theory of unique productive forces." In addition they looked on any discussion of material benefits as virtual treason and heresy and the result was that the national economy suffered terribly. The fact that the social productive forces have for a long time been developing slowly, unstably and without coordination has meant that the material and cultural lives of the people have not reached the level they should and some people's consciousness has suffered. For example, there are in China some regions which have been poor and in difficulties for a long period of time and over the years the political enthusiasm of the people there has fallen. This is a serious lesson for us.

Of course, when we talk about material benefits we mean the overall benefits and fundamental benefits of the people, including those immediate and individual benefits which are in line with them. What we do not want is for people to damage the overall benefits and the fundamental benefits in order to solemnly pursue immediate and individual benefits.

2. Practice forms the foundation of understanding and theory, and the building of material civilization is the most important practical part of the socialist society. It is not only an undertaking which encompasses general activities in changing the natural world but it is also the practice of scientific socialist theory. The building of socialist material civilization, to a very large and important extent, provides the factual basis for people to study scientific socialist theory. In light of this, it is also the foundation of ideological construction.

In their revolutionary practice Marx and Engels set up a scientific socialist theory which indicated that the socialist and communist systems were the best social systems for building material and spiritual civilizations. This represented a leap from practice to theory. The construction of socialism,

the development of a material civilization and the development of a spiritual civilization represent leaps from theory to practice. After the victory of the October Revolution Lenin said: "Now everything is in practice, now we have indeed reached this historical juncture: theory is changing into practice, practice has blown life into theory, corrections will be made from practice, experimentation will be made from practice." ("Selected Works of Lenin," Vol 3, p 398) This leap is even more important. The people's socialist awareness and communist conviction comes from understanding and appreciating the truth of scientific socialist theory. The condition of the building of material civilization is directly related to the people's increased understanding and appreciation of the truth of scientific socialist theory. If the building of material civilization is carried out well and the truth of scientific socialist theory reaches full realization, then its credibility and power of conviction will strengthen, as too will its prestige. In this way its role in guiding ideological building will increase and thus people will be aware of its vitality and will believe in it steadfastly.

3. The building of material civilization can offer material and technological help to cultural construction and thus help promote it. The development of cultural construction will help promote ideological construction, for revolutionary ideals, morals and discipline are intimately related to a specific culture. For example, in studying Marxism-Leninism-Mao Zedong Thought, if one has no cultural knowledge, such study is very hard. Lenin once said that only by using the entire wealth of human knowledge to enrich one's own mind can one become a communist. The building of material civilization promotes cultural construction and cultural construction promotes ideological construction. At the same time ideological construction needs a certain amount of material aid and thus, in view of these two aspects, the construction of a material civilization is also the foundation for ideological construction.

Of course, to affirm that the building of material civilization is the foundation of ideological construction does not mean that a material civilization may naturally and automatically produce a socialist spiritual civilization, nor does it mean that the building of material civilization must be tackled first and the building of spiritual civilization later. Revolutionary ideals, morals and discipline require fostering and infiltration throughout the country over a long period of time before they can become practice. The building of material civilization is only able to play the role of catalyst in this fostering and infiltration, and may not supplant it or take it over. The building of material civilization and the building of spiritual civilization are mutually conditioned and have a common aim. If we loosen our grip on the building of spiritual civilization and only tackle the building of material civilization then we will not be able to handle the building of material civilization alone very well. We must get to grips with the building of both civilizations together, ensuring that they complement each other and develop together.

'TO DOCTOR LU WENTING' AND 'A SONG OF THE PEOPLE'S TEACHER'

Beijing RED FLAG in Chinese No 7, 1 Apr 83 inside back cover

[Poems by Wang Liyun [3769 4367 5089]]

[Text] To Doctor Lu Wenting

Your scalpel shines as bright,  
As your heart.  
The light flows from your hand,  
Into the eyes of the blind patients.  
You have made colors return,  
And allowed spring to enter their hearts once more,  
No longer will tears bathe their dreams.  
From your youth to middle age,  
You have used the scalpel of life,  
To wipe out the cataracts of life,  
Placing start upon start into the very heart of the homeland.

Song of the People's Teacher

One piece of chalk,  
Influences countless souls,  
Tinting worn and shattered ideals with red.  
One blackboard,  
Is large enough to embrace the whole universe,  
Yet not enough to embrace the deep emotions you have for your students.  
Your inextinguishable light,  
Penetrates the very pinnacle of your exercise book,  
And illuminates the dreams and reveries of youth.  
Your fresh white hair,  
Is announcing to the homeland:  
The dispatch of yet another batch  
Of new soldiers who will never retreat!

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